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ECONOMICS





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OBSERVATIONS

ON

THE NECESSITY FOR INSTITUTING AN

Auxiliary Standard

IN THE SHAPE OF A

MINT PAPER COIN,

To be granted the Use of on deposits made with the Crown, to secure its Sterling Value.

BY RICHARD MOORE, Esq.

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A D D R E S S.

Is proounding a remedy for any evil, it is always important to have a correct understanding before us of the mischief proposed to be cured, or arrested —which, under the circumstances that attend it, in this case, is not only the injustice of the State, since 1819, in suffering others to “*take her office*,” in creating standard money*, for the use of her subjects; but the incongruity attending the placing parts of the same people, of the same country, upon different systems†, for commanding the use of

* By buying the gold material of it, in the first instance, with private paper promissory notes, instead of with the State's mint paper coins.

† The system for finding the use of gold sovereigns for the King's subjects, of the London or home district, now is, that their banking agents for providing them, remain privileged to obtain the gold material they are coined of, as the printed paper material of the substitutes, free of all expence.

The system for doing the same thing, by the King's subjects of the country districts, has been totally reversed, and now is, that their coining banking agents, for providing them with gold sovereigns, must pay cent. per cent. for the gold material of the standard money, that their country neighbours may want to make use of.

standard money ; which is alike of primary necessity to the State and to the whole community ; but it is the consequences of our so doing, that ought to be contemplated and enquired into. The pecuniary distress that has arrived to both the State and her subjects, since the discordant measure of 1819 was carried into execution, unaccompanied as that bill passed, and remains, without the help of an auxiliary standard and mint paper coin,—and whatever “*other causes*,” the favorite theme of those who would support these different systems, as correct, may be assigned, or supposed to have influenced the loss of property we experience,—none of these reasons, by *retail*, have ever been defined—whilst the fact of the arrival of our pecuniary misfortunes, by *wholesale*, and that they commenced upon, and have taken place in gross, only since that period, can be controverted by no one.

That it was then high time to return to the payments, of the trading subjects’ promissory notes, with the State’s standard money, is as strongly felt in the following pages, as by the authors of the measure of 1819. It is not, therefore, any repeal of that bill that is here sought, but it is contended, that with the passing of that statute, as unfortunately it was not previously enacted, or then took place, as it might so easily have been provided for, by way of *Rider* or *otherwise*—that an auxiliary standard and mint paper coin should now be instituted, and that without such an additional

creation and assistance, being added and given to our gold standard money, there can be none but a very limited and temporary improvement, or arrest of our pecuniary distresses ever arrive. Oscillating with, and dependent alike upon, the trade of a commercial house—upon the representation on paper of one solitary and insufficient part, both in diffusion and amount of the Country's great capital in gross, its proprietor's property, and upon the price of the gold material.

It is not, however, proposed to interfere in any way with the Bank of England's Charter, or its branch banks; its proprietors' liberties, as freemen, or their interests, as merchants; farther, than to give it the opportunity, at its own leisure, and when its directors had become well aware, of the much greater advantage, it would be of to the proprietors, as well as to the State, and to the public—the proprietors holding mint paper coins, that represented the amounts of their capital in gross, than their own promissory notes only—as there can be no occasion for keeping the country districts any longer, in a situation of distress and decay, unless by their own neglect or choice, for want of the use of standard money, or to delay the institution of an auxiliary standard, and paper mint coin, on that account.

OBSERVATIONS
ON THE
STATE'S STANDARD MONEY.

CHAPTER THE FIRST.

IT was the opinion of Mr. Pitt, as quoted in the life of that great statesman, by the late Bishop of Winchester*, that a constant accumulation of capital, was a never-failing evidence of the prosperity of a country; which was so entirely exemplified by all that took place with us, after 1797, the date of establishing, by a general law, the 20s. temporary substitutes for standard money, to the peace of 1815, as shewn throughout this period, by the private welfare and increase of the property of the State's subjects,—arriving also, as it did, with that great increase of our population, which no doubt contributed by their additional help and labour to these happy results — nor can it be argued, after the comparative ease with which the subjects then raised the loans and paid the interest

* Vol. II. p. 429.

on them, that the State had imprudently incurred an additional debt of 600 millions, in attaining to such a state of prosperity, as we had then acquired, or afterwards ; had our subsequent domestic policy, relating to our standard money, at all corresponded with our previous conduct, respecting the substitutes.

It appears, also, from the same source, to have been Mr. Pitt's opinion, that this accumulation of capital can never be obstructed, but by some public calamity, or "mistaken and mischievous policy, which" it is continued, "must be conspicuous and rapid indeed in any country, which has once arrived at an advanced state of commercial prosperity *;" which opinions, point immediately to our own mistaken policy, in passing the bill of 1819 without the accompanying preventative, against the distress and mischief, and not only obstruction to its accumulation, but great loss of capital that has ensued by that measure, without the institution, at the same time, of a £10. mint paper coin, instead of placing the Country again, in servile dependance on a £10. paper promissory note, for buying the gold material, for our gold standard money.

In two years, by that fatal act to our prosperity, there was taken out of the country district circulation, sixteen millions of money †; and it would

* Like our own for instance.

† Vide Mr. Joplin's tables of circulation.

puzzle those of the deepest research, to find another example in history, of any error of the same magnitude, being committed and attended with such results, that was afterwards persevered in so long without inquiry, and without applying its remedy.

There was, perhaps, an *abuse* to be *corrected*, but there was also the more important necessity, and *use* of money for the purposes of employing labour, to be thought of, and *retained*, and provided for, in the country districts; after so many important pecuniary engagements that had been made under the system, before its change, as well as for, and in the London district—the institution of an auxiliary standard and mint paper coin, to have purchased the gold material with, instead of leaving this transaction wholly to a promissory note, would have corrected the *abuse* and retained the *use*, of all those amounts of money, that could be morally, or legally wanted, everywhere—without the State's interfering with any private charters, or permitting the subjects' meddling with the *functions* of the State—without our incurring any *unnatural* pecuniary distresses whatever.

The prolonged existence of every country's constitution, and their solvency too — when once arrived at that state of commercial prosperity, that makes the practice of buying the bullion materials, for their standard money, necessary to be effected by the representation of other wealth, than gold or

silver on paper, instead of giving value for value for the commodity--must depend on the support of standard money, proceeding from the credit belonging to their respective States, and to their good government ; not by the delegation, or by the exercise of imperial functions by a State's subjects, but by the help of her own mint paper coins, and not from the unappropriate assistance of paper promissory notes.

It is by the union of the subjects' interests alone, in providing for each district's banking agents, approaching the State's mint, and obtaining the use of standard money, for their respective neighbourhoods and parts of the population, upon the same terms, gratis, and not by their *severance*, and making provision for the banking agents of one district only, in going to the mint and obtaining the use of gold sovereigns gratis, as with the substitutes, that any State can be upheld, or her subjects' welfare supported :—and how can it be claimed, our having so united the interests of the people of this country, when we see by the same law, the £100. government annuity, secured entire to the fundholder, and the same sum belonging to the landholder, reduced to a rent of £50. a year or less*

* A member of the House of Commons declared in his place, the last Session, that his landed income had fallen 50 per cent. since 1819, and there are instances of the fall being still lower. The Edinburgh Review estimates the annual loss at 22 out of 52 millions—the amount when the income tax was last levied.

—and the manufacturer and the shopkeeper—the merchant and the trader—the agriculturalist and his labourers—with the State also in her revenue—by the absence of their former good policy, all suffering together.

For want of retaining the same general principle in the law, for returning to our payments with standard money, that prevailed when we made use of its substitute *, — the fact being that there is no analogy, between the old system we have returned to, in creating standard money, and the new engagements that we have entered into, and the prosperity we had attained to in 1815, under *another law* and *another system*.

According to the returns made from the Mint of the quantity of gold bullion, carried there to be coined into standard money, since the peace, the directors of the Bank of England have sent fifteen sixteenth parts of the whole; which great difference partly arises from the greater interest the merchant importer has, in disposing of this material, at the immediate market of the Bank of England, than waiting the slower process of having bullion coined at the Mint, for himself; but principally, from the necessity and the understood periodical orders, from the Treasury at its bankers, to be supplied with those amounts of standard money, as may be wanted,

* It was not the general principle of the law respecting the substitutes, that brought about its abuses, but the omission of the law in not instituting an auxiliary standard and a mint paper coin.

together with their own promissory notes, in payment of the dividends, and other public services ; which produces a constant demand at this shop, for buying gold with its own promissory notes, instead of the State's paper mint coins, here proposed to be adopted ; and that in the absence of such coins, no other of the State's subjects' capital in gross, but that of the Treasury bankers, can be represented on paper, so as to buy the bullion materials by such wholesale amounts, as the public service requires, *free of expence*. It is the State's *custom* at the shop, and the State's credit, made use of by her banking agents, together, that effects the purchase ; and it is therefore constantly argued in these pages, that our sole dependance for the use of standard money, is at present consigned over to the exertions of a commercial house.

No other banking agents, of any other part of the community, whilst we are without the help of an auxiliary standard and mint paper coin, can obtain the use of the gold material, and approach the Mint with it, free of expence, as has so very long been necessary to our prosperity—even from the earliest periods after the establishment of the Bank of England—except the banking agents, its proprietors, of the London and home district population, and of the Treasury ; although the example of twenty-six years with the substitutes, after the large pecuniary engagements we had entered into under that law, told us, that in returning to pay with the substances,

gold standard money, it must be, as imperatively necessary to apply the law, and to give the opportunity of commanding the use of gold sovereigns, as generally, as before for finding the use of the substitutes.

The circulation of the country districts, before 1819, had been about 27 millions, that of the home district about 28 millions; and from what can be gathered from imperfect returns, without authority, the circulations of the Bank of England, including that of its branch banks, and the gold sovereigns that supply the place of both its own, and the substitutes for standard money, of the country banks also—their 20s. promissory notes—its whole circulation is not more now than about the same 28 millions—the country bank circulation may be stated in the same way: but without supplying the use of any standard money, immediately from the Mint, or that they do not give 100 per cent. or its interest, with security for the principal lent, for the use of, in the room of the substitutes, they before commanded, gratis, as varying from 11 to 13 and 14 instead of 27 millions.

Capital in gross, embraces all the commodities produced in the world, and including that of gold.

Capital in fractions, is the first capital coined into standard money, and if of a gold material, from

its portability, the capital in gross is carried in our pockets; but if wanted to a greater amount than there is gold bullion to be commanded, as the material for our standard money, auxiliary paper standard money representative only of capital in gross, *not portable*, as is here advocated, ought to be instituted and substituted.

Privileged capital in gross, would be such as is proposed to be deposited with the crown — the owners still receiving its interest during their solvency—and like the capital in gross of the Bank of England at present, although deposited with private trustees only, its directors, it would purchase gold by its representation on paper, standard mint coins, proposed to be allowed the use of, in consequence of the public deposit to be made at the Mint, and in fee simple, which has become necessary, to keep us independent, as to the amounts of standard money we want to make use of, on the fluctuations and dealings of trade in the gold material, it is required to be made of; whilst a private promissory note, such as that of the Bank of England, can effect no more than a temporary possession of the commodity.

Promissory notes, bills of exchange, currency, circulating medium, &c.—that have been so confounded together, with standard money, and the State's substitute for it, between 1797 and 1819—are mere private *instruments* of trade — engagements to find so much State standard money; they

are all accordingly organized by, and proceed from trading subjects, for the support of their respective individual credits — standard money on the contrary, both as concerns the origin and purchase of the material by her subjects, as well as the coining of it afterwards, can only be regulated and organized by States—each having its own standard—the intervention of agency* in so delicate a point supersedes the State's authority, and according to the degree of it, as at present exercised over us, from an improvident sufferance, by the Bank of England, interferes with the State's and her people's welfare.

A GENERAL LAW, as applied to the creation of standard money, or its substitute, is best elucidated by referring to the practice between 1797 and 1819, during which interval each country district, was allowed by the State's law, to establish a local bank of its own, possessing such substitutes, gratis ; and when the security offered was deemed safe by the traders, for issuing the direct use of them, to the neighbouring inhabitants ; placing them and their local issuing banks, to the number of 7 or 800, upon the same footing, as the population of the London district, and its issuing bank of these substitutes—the Bank of England.

AN INDIVIDUAL LAW, in the instance before us, is such as at present exists, consigning the protec-

* As at present with us by the agency of a £10. paper promissory note, instead of the State's £10. paper mint coin.

tion of the whole British community, in their use of standard money, or its substitute, (for £10. Bank of England notes are substitutes, as taken in payment of the State's taxes, for ten gold sovereigns*) to those amounts of it produced by the trade, in gold bullion, of one banking house—to the extent that the *representation* of its capital of £14,500,000, held in other wealth than *gold*, upon a piece of paper can furnish, as opposed to 7 or 800 similar banks, in addition, that were before employed to find the 20*s.* promissory notes, substitutes, for 26 years; and permitting, by the State's omission and by not instituting an auxiliary paper standard coin, that would have been applicable in giving this advantage to other banks, and to other districts, if required;—no capital in gross to be so represented, but that belonging to the proprietors of the Bank of England, and no other part of the people to enjoy the same direct advantage, from this representation, but those in the London district.

If the Bank of England had been the one only bank, between 1797 and 1819, that had been allowed and employed to issue the 20*s.* paper substitutes, for our gold standard money, and that by whose help alone, under which we had been able to incur all our additional pecuniary obligations, we should now have been safe, in consigning to its care also, the furnishing the amount of standard gold sove-

* The same as the 20*s.* promissory notes are substitutes for single gold sovereigns.

reigns, that are necessary for discharging the annual expences of those additional engagements, and for supporting our prosperity under them—after and since the gold material has fallen to, and whilst it remains at our standard price.

But as the important contrary was the truth, and that each local district had its own issuing bank, during this period, for the direct supply of the use of these 20 shilling substitutes, to its inhabitants, established and endowed by the State's general law, with the same advantages, and each placed upon the exact same footing, as the Bank of England in London, respecting them—to the number, let it be repeated, of 7 or 800 of such district banks—under the advantages of which aid, we effected the loans and incurred an additional debt of 500 millions, and the permanent necessity of raising from 20 to 30 additional annual millions of taxes, for paying its expences and supporting the nation's prosperity.

It is plain that the means now resorted to, of one only bank, for providing the material, for coining into gold sovereigns, to the amount wanted, for the use of the whole community, is not equal to the end our statesmen doubtless have had in view—the good of their country; and that our well being, has been compromised, and in part lost, by the mistake and mutual accordance and support, of the Whig and Tory parties, in so passing the bill of 1819, and adhering to it, without seeing the neces-

sity of giving that statute, the assistance and help of an auxiliary mint paper coin, with such constancy since ; whilst it is in proof, shewn by the public and private pecuniary losses and distresses since 1819, as contrasted with the welfare we enjoyed before, that nothing can restore us to our former prosperity, and facility of managing our financial concerns, but the retracing our steps, by re-enacting a *general law*, that produced our welfare with the substitutes, and by applying of it, through the means of an auxiliary standard and mint paper coins, instead of auxiliary mercantile promissory notes, to the purchase of the gold material for our standard gold sovereigns, without expence to the State, or to the issuing banks, proposed to be allowed the use of them, on depositing their assayed mint securities.

An *auxiliary paper standard coin*, is one proposed to be made of the same value as the gold standard coins,—to be made so by the deposit of wealth with the crown, to guarantee its sure payment, as well under the bankruptcy, as under the solvency of the grantee, to be allowed the use of them, and by the representation of the deposit capital, on a paper mint coin,—which would be of equal value with gold money, and would of course purchase the material for the other standard, when it was not above our standard price, and place all the King's subjects in every district, complying with the Mint regulations, upon the same footing respecting their banking agents going there, and

commanding the use of standard money — ten pound paper standard coins, to purchase the gold material with, for the gold sovereigns, when at our standard price, and to divide into ten paper 20 shilling standard coins, as often as the gold was not to be had at that value.

An auxiliary representative mint paper standard coin, has become requisite, because no gold was, or could have been purchased, any more after it fell to our standard price in 1815, than whilst it was higher during the war, but by such intervention—and by the exchange of commodity for commodity, value for value, which would have left no legal profit, under our most valuable usury laws, to the trade of coining issuing bankers; — and the public could not possess the long established necessary advantage of their assistance, not even that of the Bank of England, had this substantial barter, been necessary to its trade; or by the representation of capital, such as that on a private promissory note.

Which has been, but under very different circumstances to the present, before 1797, and is again the very improvident and only way, that this material of our standard money, is now supplied for the public use — making it necessary, whilst it lasts, that the notes of the Bank of England—the State's bankers — should be declared a legal tender in payment of the King's revenue — and that these notes in baneful preference, to any auxiliary mint

paper coin of the crown, here proposed to be allowed the use of, on the deposit of equivalent wealth; should be exchangeable at the Mint price, or below it, for the gold material, for coining such amounts of standard money *afterwards*, as are periodically necessary, in payment of the dividends of the public annuities.

The inconvenience is quite clear, as by it, the country part of the State's subjects are left without any *direct* use of standard money, or its substitute; because their country issuing bankers, since 1819, are driven to give value for value, for every gold sovereign they make use of, which to have kept the country population upon the same footing, as the London population; the country issuing bankers, their agents, to the extent of their capitals in gross, deposited at the Mint; and permitting where and when wanted, more capital in gross to be subscribed and added, than the existing coining bankers possessed in 1819—should have been allowed the same advantages and facilities, as the Bank of England, in obtaining the use of gold sovereigns, as they were before 1819, in obtaining the substitutes, by the application of the State's general law for this purpose. After the proper securities had been first deposited at the Mint, to guarantee the standard value of the auxiliary paper coins, proposed to be allowed the use of.

This auxiliary representative paper standard coin, therefore, has become necessary for pur-

chasing the gold material, for coining into the State's gold standard money.

For raising the King's revenue in the King's own standard money, instead of allowing the private promissory notes of merchants, to be so taken in the payment of the taxes.

For allowing the State's subjects in the country districts, the same privileges and advantages in commanding the *direct* use of standard money, from their own local coining banking agents, as those in the London district, for the reason that the material of our gold standard money, is only to be obtained, free of expence, which has so long become absolutely necessary to us, and that it should be effected through the purchase of it, by the representation of other wealth than gold, upon paper; and for admitting all coining banking agents in the country, and as with the coining agency Bank of England in London; and as with the substitutes, but complying with the Mint regulations, in the quality and amount of their capitals in gross, required to be deposited, for the use of such auxiliary standard money, upon the same terms one banking agency house, as another.

The common idea that prevails, that because the Bank of England proprietors are able to carry the gold to the Mint for coining, without the intervention of State paper money, that therefore they give value for value for the material, is a positive deception. They buy it through the representation

of their capital in gross, on their paper promissory notes ; and whilst it is paying them an interest, independent of their trade, at the same time—and as it is agreed upon by most writers, that the degree of prosperity every country is able to arrive at, depends upon the quantity of labour she can command in obtaining of it ; and that amount of labour again in this country, is dependant and can only be put in motion, by the command of the use of those natural amounts of standard money, or its substitute, that the labour and prosperity to be kept up require.

It is therefore material to examine this momentous subject, upon other grounds and truisms, than those brought forward by modern political economists on this subject, but too often acting more like politieal incendiaries, viz. “ that bulk for bulk gold was more valuable than paper,”—and that because Bank of England promissory notes, its instruments of trade, on the continent and during the late war, had sometimes been sold for less than they represented at home, that therefore the State’s credit was tainted, and our national standard lowered in value.

The answer is, that at the same period, her standard guineas, when they were to be met with, always fetched more as merchandize, than they represented as standard money, and that the credit of the State’s *general law*, even without the aid of an auxiliary paper standard, always commanded at

home, for the owner of the private solvent traders note, the 20 shillings that it represented—and it was that general law, and those substitutes for standard money so supported, that carried us to the pinnacle of prosperity that we attained to, in 1815.

The error committed in issuing the substitutes then, with both the London and the country banks, as now since 1819, by the Bank of England alone, with the gold standard coins and their material—was the permitting the 20 shilling promissory note substitutes, to *commence* their being issued upon their own credit, instead of requiring deposits of capital in gross to be made at the Mint, for the use of auxiliary 20 shilling paper standard coins—allowing the private trader's credit, belonging to his promissory notes, and keeping of him in his place *as a subject*, to commence only *after*, and to depend upon his possession of so much standard money, and his successful business-like employment of it; and instead of, as at present, since 1819, permitting the *credit* of the Bank of England to *commence** by purchasing the gold material, for our gold standard money, with its promissory notes, before the State's first requiring the proprietor's, to deposit their capital in gross at the Mint, for the use of so many auxiliary standard paper coins, and allowing the

* N.B. The Bank of England commences buying the gold material by representation, without their credit being established, by first turning their capital in gross into standard money, and thus TRENCHING on, if not usurping *imperial power*.

credit belonging to their promissory notes, to commence only *after*, and *to depend upon*, their previous possession of so much standard paper money, to buy the gold material with for coining, and on the successful business-like employment of the standard money, by their directors afterwards.

A *coining banker* may be considered, as the agent of the inhabitants of the district, for obtaining the use of standard money, or its substitute, for himself and them, gratis, without taxation to the public, or expence to himself—which the Bank of England has now been and obtained, for the use of the inhabitants of the London district, for 137 years—and which the country coining bankers and agents were for 26 years likewise, and during a period that produced our greatest prosperity, did obtain the use of the substitutes, for the inhabitants of their respective local districts;—he is besides one who issues his own private paper promissory notes, instead of, or in addition to the State's standard money, but on depositing security with the crown, as hereafter proposed, who would, at the same small expence, as that attending the creation of his own promissory notes, have the opportunity to issue the paper standard money of the State also, after the institution of an auxiliary mint paper standard coin, giving him the advantage of making two legal interests on one capital, which is his inducement to carry on a trade, that neither the State, nor the public, in our exaltation in improve-

ment and wealth, can do without ;—at present the coining Bank of England alone, is allowed this advantage—the bill of 1819 by the omission of not instituting an auxiliary paper standard coin, at the same time, took away this privilege from the coining banking agents, in the country districts, and left neither substitutes, or substances to fill their places there, except by a collateral chance from the Bank of England, and on paying cent. per cent. for each gold sovereign, or so much with security for the principal, for the hire of each mint coin—and every body is acquainted with the want of the corresponding amount and use of standard money there, for the employment of our labourers, since that period.

A deposit banker—is similar to those in Lombard Street, whose trade consists in receiving the deposits of their customers, and who make use of such money, on their own responsibility for its return, as wanted, and who do not issue any promissory notes of their own coining.

Finance—the income and profits that it relates to public, or private, is universally measured by standard money—the foundation of *finance* therefore, must depend on the constitutional and natural amounts, to be commanded the use of, and the just mode of creating*, a State's standard money—and

* The creation of standard money, may be defined to be—the purchase of the material of it by representative value only—free of expence—and the joint operation of coining at the Mint :—before 1694 the gold material was always bought by

any arbitrary unnatural contracted allowance of the use of standard money, that we may place the whole, or any part of the subjects of the same State upon—by enacting any new law respecting it, that would change the value of our pecuniary obligations, by arbitrarily increasing or decreasing of the amounts, or as in olden time, by lowering the quality of the material, or by the revival of an old and obsolete law and system, for its creation, to govern new obligations, that would disable us from discharging of them—it follows, as at present with us, and our public and private pecuniary affairs, and as a matter of course—that the money concerns of the whole body politic, must become deranged, and assume in appearance a state of decay and disappointment.

A knowledge of figures therefore, although it may constitute *good accountants*, if we do not understand how to place the creation of our standard money, upon as just a footing, for the use of one part of the State's subjects, as for the use of another part of the State's subjects—if we continue to acquiesce in a diversity of modes and supply, varied like the *direct* and the *collateral*, as now takes place in different districts, of this country, for attaining the same important object, the use of standard money—we

giving value for value, by barter; since that date, although no gold is refused being coined at the Mint, to carry on the public business—it has become necessary, that the material of our standard money should be legally obtained—free of any expence.

can never arrive again to become *financiers*, for we have lost sight of the FOUNDATION of the science—the equal permission and opportunity of the State's subjects, one, as another, by themselves, or their agents, to approach the Mint, and obtain the use of standard money upon the same terms *.

Thus—had the old system for creating gold standard money, that prevailed before 1694, without any additional amounts of it, being allowed the use of, been applied by an unconstitutional and arbitrary law, for discharging our new engagements that took place between that period and 1797—it must have produced the decay and disappointment here spoke of, and now felt by us, for it could not have supplied the amounts of standard money wanted the use of, for that purpose ; in the same way, the revival and application of the old law that prevailed between those two periods, for creating our standard money, in 1819—for discharging our new pecuniary engagements entered into since 1797, under another and a new law and system then ordained, has produced this effect and our present very severe distresses ;—and to remedy the evil, we must retrace our steps—not by repealing the bill of 1819, but by giving it the assistance of an auxiliary mint paper standard coin, which would produce the effect of a general, and equally advantageous law for every district, in creating

* This part of the subject is farther mentioned in the next chapter.

both gold and paper standard money, and that distribution and command of its use, that so many of our fellow subjects and their families, in the country districts, have been thrown into poverty and upon parish allowance, by its deprivation.

The following is the outline of the bill proposed, for instituting an auxiliary standard and mint paper coin—the machinery has been merely supplied for its comprehension, and can be altered at pleasure, retaining the principle, according to the better judgment and information of those, destined to carry this vital and necessary measure into execution.

OUTLINE, &c.

IT IS PROPOSED,

First, That this auxiliary standard, should be a mint paper coin, to be made co-valuable by the deposit of security with the crown, during its circulation, and co-current with our gold standard money, by the State's law.

Secondly, That the particular capital in gross, proposed, to be deemed, and alone, of assay mint quality and value, to entitle the owners on making their deposits, to the use of so many auxiliary paper standard coins, or so many gold sovereigns, should be a 3 per cent. stock.

Thirdly, That during the solvency of the depo-

sitors, or until the stock's forfeiture, they should be permitted to receive the interest of it, the same as before deposited — to put all coining bankers of promissory notes on the same footing, according to the extent of their deposits, in buying the gold material of the 20 shilling standard coins, and so placing them all, upon the same footing also in commanding the use of gold sovereigns—that the respective parts of the King's subjects in the country, as well, as those in London, might command the use of money in the same DIRECT way—through their own local coining banking agents.

Fourthly, That the proportion of mint standard paper coins, or gold standard money, to be allowed the use of, on their 3 per cent. stock deposited, should be three fourths of the par price per £100. of such stock, or £45. sterling.

Fifthly, That every coining banker of promissory notes, after a certain date, should be obliged to make the minimum deposit of £10,000. 3 per cent. stock, before continuing, or commencing the business ; and such trading country and home district agents for finding the use of standard money, for the respective parts of the population in their several neighbourhoods, should be allowed afterwards, during their solvency, before forfeiture, or the withdrawal of such minimum securities,—to increase their deposits at their pleasure, by sums of not less than £1000. 3 per cent. stock each time, and to receive the same proportional advantages,

as on the deposit of their first minimum securities, in order to provide for the increase of their business, according to the legitimate wants of each local part of the King's subjects, and in this way to provide for the whole of the great capital in gross, belonging to the country, when held in fee simple by her subjects, being capable of being turned into that, proposed to be deemed of mint assay value and quality, to command the use of standard money ;—that the country coining bankers of pro-missory notes, where a shop was wanted, might always command the use of standard money, for their customers, through the Mint,—and that each local population, possessing capital in gross, might do the same thing, through their own district coining banking agent.

Sixthly, For the better encouragement and more speedy subscription, of the capital in gross wanted, in addition to the proprietors' property in existing joint stock, or individual companies, consisting or to be formed of more than fifty partners, it is proposed, that they should not individually be considered, as liable to their firms private creditors, beyond, or for more, than the surplus difference between what their deposits, may have been sold for at the market price, on their insolvency, and their debt to the crown of £45. sterling, on each £100. 3 per cent. stock deposited.

Seventhly, That considering the great want of standard money, throughout the country districts,

arising most especially, for want of their coining banking agents possessing the gold standard 20s. coins, to an amount corresponding with the demand for the use of money, and for the more speedy increase of the existing taxes, as so much more desirable, than the levying new ones, that it should be made legal for every coining banking agent, of promissory notes, for the space of one year, from the day of the date when their minimum securities were made obligatory to be paid up, and provided they were so paid up and deposited at the Mint, that they should be allowed to issue their own staple 20s. promissory notes, together with the gold sovereigns, or mint paper 20s. coins, allowed the use of, on their minimum deposits—in order to give proper time for the collection of a sufficient capital in gross to be deposited, before declaring, that none but standard 20s. coins, gold or paper, at the option of the crown, and according to the market price of the material, should be circulated.

Eightly, That the minimum and all other deposits of 3 per cent. stock, of assay qualified capital in gross at the Mint, should be entered at the office books, at the Bank, in the joint names, first, of the owner or owners, and next, of the Master of the Mint, the first Lord of the Treasury, the Lord High Chancellor, and the particular officer in Chancery, whose business it is to superintend the legal declaration of commissions of bankruptcies, in trust, that the owner or owners, or his or their

agents, during solvency, should alone be entitled to receive the interest belonging to their deposits.

Ninthly, That the said 3 per cent. capital stock so proposed to be deposited in *trust*, should not be parted with out of the deposit of the said bank's books, by any authority short of that of the whole of the trustees, and of the owner, or owners joint direction, before insolvency,—but in the case of withdrawal, on the giving up to the Mint, the amount of standard paper mint coins, before allowed the use of, to be cancelled, the owners should be entitled to receive back their deposits of 3 per cent. stock.

Tenthly, That it should be made compulsory on the said superintending officer in Chancery, of bankrupt commissions, corroborated by the Lord Chancellor's signature, or by some such process, immediately on the completion of a commission of bankruptcy, taken out against any depositor, to inform the Master of the Mint and the Treasury, of the same—which information should be considered the authority, without loss of time, to proceed to sell the said capital stock, for the best price that could be obtained—without the concurrence, or participation of the previous owner or owners;—and after deducting all the expences attending the sale, or otherwise lawfully incurred out of the produce, together with the full amount of the standard money, before allowed the use of to the bankrupt depositor, to pay the surplus difference, if any,

over to the assignees of the said insolvent's estate; but if the difference should ever prove a deficiency, from the price of 3 per cent. stock being below £45. sterling for the £100. 3 per cent. stock, in every such case the State to be considered, as indebted to the public out of its revenues, to the full amount of such difference and deficiency, and to be made liable to all the expences attending the sale of this part of the bankrupt's estate; provided, nevertheless, if the other parts of the bankrupt's estate did not produce assets sufficient, to pay this debt and difference to the crown.

Eleventhly, Immediately after the sale and division of any bankrupt depositor's 3 per cent. stock, and in both cases of difference, it should be made incumbent on the Treasury and the Court of Chancery, to appoint a proper officer from each, before whom and the Master of the Mint, should be cancelled, the amount of standard paper coins, which the bankrupt depositor had before been allowed the use of; and an account of the transaction should be published in the following Gazette.

Twelfthly, It is proposed that this clause should make mention of the additions, that might be thought necessary by His Majesty's government, to be made to the Mint and Stamp offices, in the case of adopting the proposed necessary institution, of an auxiliary paper coin and standard of value.

Thirteenthly, Some small addition of stamp duty on the standard paper coins, might here be

added, if the natural increase of those duties, should not be likely to be sufficient, for the payment of any additional expences, to be incurred in consequence of adopting these suggestions *.

The above clauses it is believed would afford a good foundation, for the drawing up of an Act of Parliament, the necessary accuracy of which, must be best provided for, by the experience of official persons ; and there is this recommendation of the plan they disclose, that it embraces no interference with the Bank of England's charter, except simply a few regulations, that must tend to its Proprietor's greater profit ; nor with the State's continuing to employ that Bank, in its Treasury business.

Nor need it interfere with the laws of 1819 and 1826 relating to standard money, ordaining that all promissory notes, should in future be made payable, with the State's gold standard money, farther than substituting the word *standard*, for the words gold standard in those statutes.

Nor need the act interfere with the present Scotch laws, relating to the substitutes for standard money, before the advantages the institution of an auxiliary mint paper standard coin, would assuredly give, was first asked for by that part of His Majesty's subjects.

* The same plan was published in a pamphlet by the writer last year ; and the foundation of it was laid in a pamphlet of the writer's six years ago.

CHAPTER THE SECOND.

In the *absence of any auxiliary State standard paper coins*, during the late war,—both the State and her subjects had reason to be very much obliged, to coining bankers, even without their possessing any capital in gross to support their trade, who were not gamblers, or spendthrifts—and who made no issues of their instruments of trade—their promissory notes—and 20 shilling substitutes, for standard money, without taking a legal and sufficient security, for the accommodation.

The necessary expansion and contraction of standard money, or its substitute, for the disbursement of the large loans and for the continued employment, of that additional quantity of labour become necessary, to secure the payments of the great additions, that were then made to our taxes, being such, as without their assistance, and in the absence of an auxiliary representative paper standard, would have neutralized our ability, in raising either loans or taxes,—and of turning any part of our great capital in gross, into capital in fractions

—money—for either of these important purposes—and must have paralyzed our exertions for protecting ourselves, instead of leading us on to the successes and to that happy close of our labours, that ensued in 1815.

How then is it to be believed, that any other than the very same system of a *general law*, that produced our prosperity, administered under safe regulations, and applied to the production of the gold standard money, required to be circulated by the bill of 1819, as before prevailed for finding the substitutes, can uphold the prosperity we arrived at, or enable us to fulfil the pecuniary engagements we entered into, under that system?

Objections may be taken, that the law and system we have returned to, produced all the gold standard money, we wanted the use of between 1694 and 1797—it did so;—but it must be remembered, that it was by producing never failing additions, as often as they were required by new engagements, to the amounts that existed in 1694, until the wheel of the Bank of England ceased to go round, for producing this increasing, or indeed any supply, in 1797—and whilst the country districts had until then, shown no necessity for that similar *direct* supply of the use of standard money, or its substitute*, through the issues of their own

* There is no distinguishing in argument between standard money and its substitute, supported by the State's law, as ours was for 26 years, by the restriction act of 1793,—the gua-

local coining banking agents, that they felt the necessity for afterwards ; and for the same reasons, as experienced by their fellow subjects of the home district, to enable them to contribute their due proportions, to the public revenue, and to support their private prosperity—and that they enjoyed the same advantages in possessing with the substitutes, for 26 years, as the King's subjects in the London district.

Shewing a practice and evidence of necessity, for all public and private purposes of 139* years—that the material whether of gold, or of paper for our standard money, as for its substitute, should be furnished the use of, for the State and her subjects, including both the London and the country coining banking agents, among them, free from any expence of taxation, or otherwise—and this being the allowed and necessary practice of the Bank of England's trade, for this whole period—and being the equally allowed and necessary practice, for the coining banking agents trade in the country districts, for 26 years ; — during which shorter period, pecuniary engagements of far greater extent even, than were entered into during the preceding 100 years, took place,—and shewing that we have undertaken the herculean and impossible task, of retrograding to an old and very different system,

rantee should have been adhered to—the abuse if there was any, corrected.

* From 1694, the date of the establishment of the Bank of England.

for discharging our obligations, to that under which they were incurred.

The above reasons, together with the failure of the ability of the Bank of England, in furnishing any standard money for our use, that induced Mr. Pitt, to extend this advantage and principle of banking trading agency *—in 1797-8, for the direct use of the country population, as before for the direct use of the London population—and it formed far stronger motives, for the extension of this privilege at that time, to the local country banks, and forms now, for its renewal and continuance, than ever existed for the original establishment of the Bank of England †—and the decision of this question, whether the whole population, and the State with her revenue, should continue to enjoy the *direct* advantage of this privilege ‡, or only that part of the population inhabiting the London district, be allowed the *direct* advantage—circumscribing the State, in the productiveness of her revenue, and her subjects in the country, to depend on the collateral advantage of the Bank of England's assistance, after the home district had been first supplied, for

* For finding standard money, or its substitute—the restriction act had that effect.

† In 1694, we had no public debt—in 1797 we had a debt of 300 millions—in 1815 we had a public debt of 800 millions.

‡ For obtaining, or purchasing the material of our standard money, whether of paper or of gold—gratis—in both cases, by representative value.

supporting their prosperity, and without the permission of going to the Mint in the same way, as their fellow subjects?

The distinction between use and disbursement, as applied to standard money, has never been sufficiently attended to:—the use of money is such an employment of it by a country's labourers, as increases the existing wealth of a nation, and its constitutional provision and allowed use, should therefore be, amongst the first cares of every good government,—AS IT ACTS, as we are informed by the soundest writers, by multiplying the production and consumption, of the articles that pay taxes to the King, and thus bettering the markets, by that reciprocal interchange of demand and benefit, that always takes place between trade and trade, as well as from other sources, when the people are in full employment, and so augmenting the public revenue of the State, by the improved private welfare of her subjects.

By increasing the population of a country, from the facility a constitutional provision, and moral use of standard money, or its legal substitute, gives of employing its labourers, and thus adding to the STRONGEST ARM, and multiplying the greatest blessing, that can be bestowed upon a country; and always described as such, in all sacred and profane history; although opposed by the asser-

tions and wisdom of modern politicians, that any well regulated government can possess—that we profited so much from in the late war—and that it is our own fault and error alone, if we do not experience the same good effects from, in time of peace.

By increasing the demands for the produce of agriculture, with the increase of our population, and so raising the private incomes of the landlords,—the profits of their tenants, and the necessary employment of their labourers, as fast as they wanted it—increasing the demand for all articles in the markets, in consequence, to the profits on trade, manufacture, and commerce, occasioned and accruing always, by any addition of prosperity that arises, to that foundation of every country's happiness—the landed interest.

The disbursement of money, is the mere expenditure of wealth—it is the use only that creates capital and multiplies prosperity, according to the number of labourers and quantity of industry employed—an arbitrary and fixed amount of standard money, like that now furnished for us, by the confined trade of a commercial house, might possibly be sufficient for *disbursement* alone, under a *failing prosperity*, occasioned by errors like ours; but the expansion and multiplication of standard money, must be provided the use of, when and where necessary, to secure any greater acquisition, or for the continued repair and preservation, of our existing and present welfare, and of our great capital in gross.

Take away the *direct* use of standard money, or its substitute, as indeed both have been taken from us, in our country districts *—and in our advanced state of necessity, for the use of money, there is immediately, the proportional want of employment for our labourers,—and it has been in this way, that the withdrawal of 16 millions of money, out of the country districts circulation, in two years, with the very limited collateral restoration latterly, of from three to four millions, that these errors have operated, the pecuniary distress and misery, that we are now afflicted with.

For the use of money in the employment of labour, operates in a compound ratio, and the same sum in amount, by the continual change and movement it is always undergoing, actually pays very many labourers, in the course of the same year—by disturbing the markets therefore, from any large withdrawal of the amount and use of money—from the purchase of foreign produce for instance, as for our own, it has no doubt lessened the demand for labour, in those countries, as well as at home, and has been accessory to the distress and bankruptcies, that have arisen since 1819, in each quarter of the globe.

To give the reader some idea of the importance of never interfering by any arbitrary law—between the natural amounts of capital in fractions, standard

* By the bill of 1819.

money, necessary to make use of our capital in gross—if he will take the trouble to divide the £16,000,000. by the average yearly price of £25*. for an agricultural labourer—he will find, without contemplating the compound ratio, that the deduction of this sum from the circulation of the country districts, probably threw more than 630,000 labourers, of different descriptions, say children or adults, manufacturers or labourers, out of employment in this country alone.

If he should have any doubt of the probable correctness of this statement, let him farther consider, that the population of the country districts is 10, out of 15 millions of inhabitants, at least—that 27 millions of money only, was absorbed in the employment of 10 millions of people, before 1819—and then ask himself, after making what deductions he may think fit, for the exceptions from labour—if the employment of so many people, with so small a sum of money as 27 millions, is to be accounted for, without the effect and advantage, of a compound ratio taking place; and then contemplate the natural consequence, of taking from such a community, the use of 16 out of 27 millions of money.

The effect of the bill of 1819 passing without a sufficient and direct provision, for the standard money, it required to be circulated in future, being

* £25. is taken as a high medium, between the prices of good and indifferent labourers, and between adults and children, and the variations of price in different counties.

made everywhere, by similar general laws, to those that produced the substitutes—and adjusting any difference in the amount wanted, between the real and the fictitious demand, and the insufficient supply, by requiring deposits, and instituting a mint paper coin, to be granted the use of on their being made, that would have effectually prevented and controlled, every improper use of money; at the same time, that it would have given the full legal opportunity, to the people in the country districts, of having their wealth, their capitals in gross, represented by standard money, capital in fractions, when its use was required, as well as their neighbours and fellow subjects, of the London district.

The institution, would have prevented that **BROAD** difference and distinction, which at present prevails, in the mode of allowing the two parts of the State's subjects—the London and the country population, going to the Mint—through their respective coining and issuing banking agents, and obtaining the use of standard money, for their customers' lawful occasions, as in the command of the use of the substitutes, under which our increased prosperity and *exaltation* in 1815, took place, the whole population respecting them, being governed by the *same laws*.

Hence the domestic provision of the greatest importance to attend to, with all governments, which are obliged to make use of the auxiliary help

of paper, representative of wealth, as with us, in the purchase of the material, that their bullion standard, is coined of—must be, the providing the opportunity, for all parts of their subjects, possessing wealth for such representation on paper, and for deposit—that they should, either directly by themselves, or through their respective and local banking agents, be allowed to approach their State's mint, and command the use of standard money, and its amount, upon the self same terms, one as the other.

The modern economists, and those who have so unfortunately influenced our statesmen, say, that we have not sufficient employment for our population :—it is asserted here, that if it is so, it has arisen only, because we have ourselves neglected the means — assimilating, circumscribing, grinding down, tethering in a belt, as it were,—apportioning the number of our labourers to be employed, to accord with and to take place alone, according to those amounts of standard money, that can possibly be furnished for us, by the bye-law of a commercial house, and as concerns our country districts, to a collateral and casual supply only of it..

Instead of making the State's general law available for this purpose, to the whole community, as with the substitutes ;—and instead of making a provision for the *contraction* of standard money only—which is the effect of the bill of 1819—varying with the ability of the Bank of England, and the repre-

sentation of its capital in gross alone, in furnishing of it;—and none for its *expansion*, according to the legitimate wants of our labourers, and the representation of their capital in gross, they or their employers, might possess to deposit, in order to leave the approach to the Mint open, to all parts of the King's subjects upon the same terms.

It has been said in the Address, that there was no intention here of interfering in any way, with the interests of the proprietors of the Bank of England—their rights and liberties, as subjects—their charter, or their branch banks — their pecuniary welfare and well-being, as merchants;—but such claims surely must be examined into, that may be made, beyond what their charter grants, or the interests of the proprietors require, and a distinction drawn between those that concern their private interests, and those that may be brought forward with political views.

As any pretence, if it should occur, that their fellow subjects of the country districts, had not the same right, as themselves, to have their capitals in gross represented, through the medium of mint paper coins, so as to be able to purchase the bullion materials, gratis, with such representative standard money, and to be placed upon the same footing, as with the substitutes, and as the Bank of England

is placed upon—although this privilege has hitherto *been left* to be exercised, by none but its proprietors, through the representative medium of their promissory notes.

This consideration eminently relates to those imperial functions, which it concerns the credit of the State, and the interests of her people, as a whole, to uphold and defend, and where private credit in *creating** the State's standard money, by being made able to buy the gold material and to carry it to the Mint, without cost, for coining—may with safety be permitted any longer to *commence*, without this liberty, intrenching upon the imperial authority of the State—or infringing by so doing, upon the rights and pecuniary interests of our fellow subjects.

Which brings us to the point and practice, in all the years since the establishment of the Bank of England, and to the *mode* of our acquiring in its great bulk, the gold bullion material, for coining into the State's standard money; and whether it was right or wrong, that the acquisition should have been so long *left*, confined to an individual company to make, as it was and still unfortunately remains, or be thrown open upon the same terms to the whole public, is the important decision required; for it forms no article of privilege, or exclusiveness stipu-

* The exercise of the imperial power and credit of obtaining the gold material, gratis, is the best definition of what can be here meant, by ability to *create*.

lated for, in any one of the proprietors' charters, to prevent the election; nor is it in the least degree necessary, to their interests.

However this may be, 1694 was the era, when the necessity and practice commenced and first* shewed itself; that in all future time the welfare of the State, and that of her subjects, was to depend, for both their interests, and for the command of the use of those growing amounts of standard money, that had and were to become necessary, to the support of our prosperity, and to continue the ability of giving employment to our labourers—upon the gold material being purchased—not by the exchange of commodity for commodity, as hitherto—cloth, or annuities for instance, or any other articles paid in barter, for gold bullion---but by the representation on a piece of paper, of these commodities, they being permitted to be still owned and held, as capital in gross, during the solvency of the proprietors, by them—and on its exchange, and not of the article itself, for gold bullion.

* The Bank of England commenced its business, in 1694, by lending £1,200,000 at 8 per cent. to government, and immediately began buying bullion, gold and silver, by the representation of this capital on its promissory notes—but it would have been originally, as at present, much more profitable, to the proprietors, had the purchase been made with MINT paper coins, instead of their private promissory notes—by the difference between a free and a restricted trade in the article.

The system of barter, as applied to the getting possession of standard money and its material, and as solely practised before 1694, is the exchange of one capital in gross, for another capital in gross, commodity for commodity.

The system by representation, as applied for the same purpose, that then first took place, to the convenience of both parties, is the withholding the capital in gross by the purchaser, from the vendor of the gold ; except, as an engagement of security on a piece of paper, for the value and price of the gold bought, being returned on its presentation, at the shop of the purchaser, in the shape of standard money.

The substitutes for standard money devised by Mr. Pitt, in 1797, was the extension of the same system of representation by a general, in the place of an individual law of the State's, and the bye-law of a commercial house, that had before governed it *; and it wanted nothing of perfection, but a provision for its extension, being applied to standard money as well, whenever we should return to these payments, for the coining banking merchants' promissory notes ; and its great utility appeared evidenced, from the remarks made by foreigners, as by what was obvious to ourselves, by the happiness

* Thus the return to the State's individual law, in 1819, preceded and gives power to the Bank of England's bye-law again, that in the absence of a general law and mint paper coins, now governs the creation of our standard money.

and prosperity that arose out of it, to the State and to her subjects; and to the security and independence of other nations, who sought our protection, as well as to that of our own.

This general law wanted nothing of being perfect, but that it should have arisen out of the institution, of an auxiliary standard paper coin, to have prevented the possibility, of any but those who possessed capital in gross, from carrying on the business of a coining banker, which would have prevented all excess of circulation, real or supposed, from being even in existence, at the end of the late war,—to have purchased the gold material of our gold standard money, for the country districts, as for the London district, gratis,—in order to have stopped the withdrawal of the use of any amounts of money, wanted for the employment of our population, in the country districts—and to have prevented those who are hostile to our constitution, from influencing us, to think and act, as though there was but one way, to secure the acquisition of gold, gratis,—that depends not upon subjects, but upon the State's exercise, or delegation, or sufferance of the privilege, being exercised by others to the neglect of her own high office, and that is now left, so unfortunately, to be exercised alone, through the auxiliary help of a representative promissory note, of the Bank of England.

The system of representation put in execution, for the purposes of creating standard money, from

the assayed mint deposits, of all coining banking agents, as before for producing the substitutes, without deposits, would be only the continuance of the same general law, that all our vast additional engagements, and which our prosperity before arose out of, during a period of 26 years.—Nevertheless, let it not be supposed that the additional debt of 500 millions, that then took place, was incurred without a growing increase of our great capital in gross, going on at the same time, and very far exceeding the debt—arising from the immense additional labour and industry then put in motion—or we could not possibly have raised the loans, or levied the taxes, to pay the interest on them, as we so securely accomplished, before our improvident *mode*, not our inability, of returning to pay mercantile promissory notes with gold standard money, took place.

This was shewn to us by our position, at the conclusion of the peace in 1815—compared with that of other nations, and by the additional wealth and improvements, surrounding every little country locality, as well as that of London—by both the increase and happiness of our population, and by the apparent facilities of supporting them, which led the foreign sovereigns when in this country to ask, Where were the poor of England?—How distinct the contrast at the present day, when we scarcely turn the corner of a street in the metro-

polis, or travel half a mile on any of our public roads, without meeting with rags and beggary !

It was most melancholy, that the previous impressions made upon us, produced, it must now be thought—by incendiaries—of the vast amounts of money, beyond what our real and legitimate wants required, for the support of our altered and improved situation, was such—that not even the withdrawal of so large a sum, as 16 millions of money, out of a circulation of only 27 millions, in the country districts*, brought about by the violent effect of the bill of 1819—had any influence, in opening our eyes to our error, or led to any inquiry!—but have served only to confirm our belief, in the assertions of those so inimical to our prosperity, and to the safety of our constitution in Church and State.

Leaving us more open to their machinations than before, instead of leading us to canvass, whether this near approach of 27 millions, to the largest amount of money made use of in those districts, during the war—about 28 millions †—should not rather have been accepted, as evidence of the natural industry of the people, when left alone, and of their having then, already found out the secure channels of peace, for their employments and for our continued welfare----rather than, that the 16 millions withdrawn was any evidence, that such an

* Not £3. a head on the country population, of 10 millions.

† See Mr. Joplin's tables of circulation.

amount of money, could be improperly got into circulation.

But to proceed, when it became necessary in 1819, for the country bankers, to complete their outstanding engagements, in promissory notes, by their payments with gold sovereigns, that neither the continuance of their privileges, to the amount of their capitals possessed, although they should be deposited, as proposed at the Mint, as with the substitutes without deposit, or the amounts of their capitals in gross, in any other way, could supply them with—they had no resource left, but to carry their customers' securities for money lent by them, to the Bank of England, for the gold money, as the only commercial house that was supplied with it, as before with the substitutes, free of expence.

The proprietors taking the country banker's place, and receiving the interest on the loans, as their property, from the date when they advanced the gold sovereigns, and until the principal was repaid,—and in this way, and by this mode, the Bank of England on the change and payment, of gold sovereigns for their substitutes, had not only to furnish gold standard money, *directly* for the use of the London district, according to the greatest amount wanted there,---but the gold standard money, in the place of its substitutes, that were furnished *directly*, by their own banking agents and a general law, previous to 1819, but *directly* for the use of the country districts also.

Furnishing, for the time being, the gold sovereigns necessary to support, the London circulation of 28 millions, and the country circulation of 27 millions besides—which neither the Bank proprietor's capital in gross, however enlarged during the war, nor their relative situation with the country districts, made them by any means equal to continue—and in 1822 another restriction act, from the same necessity of the Bank of England's inability, as in 1797 took place.

The interval between this second restriction act, and the renewal of, and return once more to make the banking merchants, pay their promissory notes with gold standard money, was attended by no new inquiry, as to the MODE how?

Whether—that as the gold material was only to be purchased, by the auxiliary help of paper that represented other wealth than gold, and that as this obligation had now prevailed, for more than a century---for the important purpose and great public necessity, of being coined into standard money :—whether, after the Bank of England's failures of 1797 and 1822, and the additional pecuniary obligations incurred under a general law, it was not therefore necessary to our welfare, that that assistance should now be given, through the medium of an auxiliary standard and paper mint coin, instead

of through an individual mercantile promissory note? — the question was never mooted! — and therefore the *important* difference between the two methods, never seen.

Of the capability of the one, the auxiliary mint paper coin, being applied, as a general law and producing gold coins, like the general law that supplied the paper substitutes, and gratis, as with the substitutes *—whilst the other, the promissory note, was incapable of being applied, except to a contracted supply from individual exertions, and mercantile *bye-law* amounts of standard money—placing the public interests in subordination, to those of private merchants! — invading the welfare of a whole community, and superseding the authority of the State.

Whether—that as the population of the country districts, probably amounts to ten millions of loyal subjects, compared with five millions in the London district---and that in both and in all the districts, the inhabitants had equally borne their parts, in producing the welfare of their country, under the general law, that alike supplied the substitutes to their banking agents, gratis, for the use of the ten,

* Because the mint paper coin here advocated, would be applicable to the purchase of the gold material, free of expence, and there is no charge at the Mint for coining—the law when passed would make it co-current with gold money—and the deposit at the Mint would make it co-valuable—see page 12, chapter the first.

as for the use of the five millions of people---whether the alteration from a general, to an individual law after 1819, that was in future to continue the same *direct* advantage with gold sovereigns, to the lesser number of inhabitants only, would not necessarily be attended, with exactly such pecuniary distresses, and loss of employment for our people, as we now experience? --- the question was never mooted!

Whether---that as all our public pecuniary engagements to the amount, as before stated, of 500 millions of additional debt, with the proportionate addition of taxation, and its accompanying expences, were contracted under a *general* law, that applied itself to the whole community alike,---whether these obligations could possibly be discharged, and the markets for the produce of our labourers supported, and their employments secured to them, by any less advantageous method, than that of a similar and, as *DIRECT* and *diffusive* a general law, for furnishing the use of standard money, as that which those obligations had been incurred under, in furnishing its substitute?---the question was never mooted!

The inquiries made in this interval were mostly mercantile, and not, as to the State's best domestic policy, under the existing circumstances of the

case; but relating chiefly to the importation, exportation, and the prices of bullion at different periods---and great attention and anxiety appears to have been shewn, in being informed of the best system of banking---but no investigation seemed thought of, as to the proper mode of exercising the office and function of the State, for affording the best protection to the constitution, on this momentous change, or how to apply the imperial prerogatives, for the surest support of the subjects' welfare.

No retrospective view, to guide our conduct, appeared taken, of the similarity, or dissimilarity of our situation in 1798 and 1815, and after the peace, of the gold bullion being below our standard price, at both those periods---of the Bank of England's coffers, being alike replenished and full of gold standard money, at both those periods---of the conduct of Mr. Pitt under these similar circumstances, but with the *dissimilarity* of having a debt to deal with, in 1798, of only 300 millions, who yet proposed and carried the bill, for continuing the use of the substitutes under a *general law*.

In preference to returning to an individual and private bye-law, for finding the State's gold standard money---and although on first appearances, it then seemed so wholly in our power to effect.---Let us contrast this decision of Mr. Pitt's at that time, with our conduct in 1819, saddled with 500 millions of additional debt, having been incurred in the interval, under the new system and *general law* of

1798,—and yet our possessing, it must be said, *the temerity and presumption* to return to a mercantile bye-law, for producing our standard money, to support the elevated situation we had arrived at, under the advantages of the State's general law and equal guarantee of its continuance, to all her subjects.

Temerity in risking the distresses, and laying ourselves open to the incendiaryisms, that have taken place, from the poverty brought upon the Treasury, by the retrograde act, and from the consequent comparative want of employment, brought upon the people;—and presumption, in limiting by an arbitrary and unjust law, (whilst unaccompanied by the institution, of an auxiliary mint paper coin,) the amount of capital in gross, to be represented—the Bank of England's property—out of which was to be furnished, all the standard money wanted, to supply the place of the substitutes, for the whole country.

Mr. Fox's conduct when in power afterwards, was equally entitled to be thought of, as an example what to follow in our dilemma, as Mr. Pitt's; for unmindful of his former opposition, when he practically found that the general law, was necessary to be continued for the public welfare, he adopted it without hesitation, and never thought of returning to the individual and bye-law management, throughout his administration,—both those great statesmen, gave the same reason to believe by

their actions, when in office—had they lived after the peace—that their whole attention would have been turned, how to have applied a general law for finding the use of gold standard money—as adopted by themselves for finding the substitutes.

They both took the same part, when it came to their turns to decide, in breaking our chains, and in emancipating the State and her subjects, from the thraldom of private and bye-law management, in creating the amounts of our standard money,—and the prosperity of the country arose out of their patriotism, in so doing—they therefore would not have returned to a policy, that has placed an extinguisher, for the present, upon our prosperity, and that has riveted our chains anew.

Notwithstanding our successes, our elevation, and the public and private prosperity we had attained to, under such auspices, and under a *constitutional* and a general law, those who were inimical to our welfare, and who wanted to produce confusion, did nothing but clamour about the difference of borrowing money in paper, and incurring the obligation of paying off the debt with gold standard money, and insisted on the necessity of returning to *cash payments**, meaning gold money only, to secure the State's credit, which was then untouched.

* Cash payments, must refer in all countries, to the discharge of their debts in standard money, and alike whether the material of it, is of paper that *represents* wealth, deposited at its Mint, or gold that actually is wealth.

ed—but, in reality, with the view to puzzle us, as to our ability to do so, and as a means to forward their machinations.

Inducing our statesmen never to advert to the *fact*, that although whilst the gold material is at, or below our standard price, we indeed, had it in our power to put an end, to the *retail* 20 shilling paper substitutes, as we have done, by returning to a dependence, on the individual and bye-law management alone, for creating our gold standard money,—yet that it was wholly out of the power of any such laws, to put an end to the *wholesale* £10. paper substitutes, in the shape of promissory notes, for *ten gold sovereigns*, that have so long been obliged to be made a legal tender, in payment of the King's taxes, for want of the help, of an auxiliary paper standard coin, to that amount,—and that under the circumstances, of our increased pecuniary obligations, the advantages of putting an end to the *retail* 20 shilling substitutes, without at the same time getting rid of the *wholesale* £10. substitutes, for ten gold sovereigns, are both paradoxical and problematical.

The advantage to be derived from these facts is, their proof of the necessity for creating, an auxiliary standard and representative mint paper coin, and instituting one, for the double purpose of producing the ability, both of paying and receiving the King's taxes, in standard money—and giving the benefit of that freedom, our constitution gua-

rantees, to all—since that it had become imperative to do so, and practised with the substitutes for 26 years—by equally allowing the King's subjects in the country districts, to supply themselves through their banking agents, with the *direct* use of standard money, gratis,—as they before enjoyed the direct use of the substitutes, gratis---and as their fellow subjects in the London district, through their banking agent, the Bank of England, do enjoy the use of standard money, gratis—without expence or taxation, as concerns the purchase of the material of our standard money, to themselves, or to their banking agents, as well as enjoying the privilege, of having that material coined into standard money at the Mint, free from any expence, afterwards.

The convenient way in practice would be, when the banking agents, came prepared with their assayed deposits to the Mint—to retain the paper coins, the depositors would be entitled to the use of, for the Treasury's disbursement, and to give gold sovereigns to the same amount, to the banking agents—and arranging the previous purchase of the gold material through the Treasury's bankers, or the contrary,—and so also, as to the division of the amounts of the auxiliary coins, into £10. or 20 shilling paper coins, according to the joint convenience of the government and the bankers, and the market price of the gold material---at once putting an end to the necessity of any other, than standard 20 shilling paper coins, under the failure of obtain-

ing the gold material, for the gold sovereigns, ever again being circulated---making ourselves independent of foreigners for the article, by our own correct and just domestic policy, respecting our standard money.

Again, as relating to the *state of our standard money* at the time, it is matter of surprise, that on bringing forward the measure of free trade—and upon the plan of so judicious a writer, as Dr. Adam Smith---that Mr. Huskisson should have acted on the occasion, without making any reference to so important a part of the subject, as this is, in all matters of policy relating to foreign, or domestic commerce.

When the recommendation for free trade was originally so given,---although it would doubtless have been better, had a mint paper coin been instituted, to have purchased the gold material with, on the first establishment of the Bank of England---nevertheless, the system had then hitherto worked well, and had never failed to produce that expansion and addition of gold standard money, that every new draft of the State's, in the shape of loans, or taxes, to be raised out of the subjects' great and increasing capital in gross, made necessary—or for any other additional employment of labour, that their private prosperity might require.

Dr. Adam Smith gave his recommendation, when there had been no recent violent interruptions given, to our circulation in the amounts of our standard money, or its substitute—which in prac-

tice is the same thing, so long as the State has the power to support her own law and credit—*abuse* might arise to require a remedy, but that could not form a reason for taking away the advantage and *use* of a general law, to the State, and to her people, respecting either the substitutes, or our standard money itself, or do away with the obligations of supporting her own credit, by the performance of stipulations, her law had once guaranteed, and that had become binding, by the State's and her people's pecuniary engagements, having so long been made under them—the stipulations for the continuance of a general law, for creating our standard money, or its substitute, as long as these engagements remain unsatisfied, if not to all future time.

When the *Wealth of Nations* * was written, our standard money was on so sound a footing, as then to require no change of system, or thought about it—the foundation of the superstructure the author recommended, was first secured, before even that he planned his edifice of free trade.

Mr. Huskisson, on the contrary, brought forward the measure of free trade to be carried into execution, very soon after the country having been given up, to an old system again, for creating our standard money, under new and unparalleled circumstances and pecuniary engagements, that had taken place, under a more recent and very different

* Dr. Adam Smith's.

provision—the first effects of which was to take away the use of 16 millions of money—which the country banking agents, having been deprived of the direct use both of substitutes and standard money, could no longer support—out of 27 millions before commanded the use of, for the support and employment of industry, and for the payment of the King's revenues, out of the circulation of the country districts—nor has the rebound, from the action of the old system since, produced more money in addition to the 11 millions left, than three or four millions besides—the argument therefore is, that by passing over all mention of the circumstance at the time, that this gentleman, talented as he was, and those he acted with, that it must have been thought by them, that the *abuse* of circulation in the country districts, had amounted to such large sums, as 16, or 12 millions of money !

That it must have been believed by them, that these large deductions of 16, or 12 millions, could make no difference, in carrying on the existing trade of the country, or paying up the public revenue, or in disturbing the markets for the sale, or purchase of produce,—and for the addition of more standard money, and more labour, that according to ordinary acceptation, a free trade, beyond restricted commerce, implies a necessity of being provided for,—that the particular measure then carried into execution, was exempt from wanting,—that the *abuse*, to the amount of 16 millions of

money, out of the circulation in the country districts, during the late war, was by so much, unnecessary to the success of it;—and that the accomplishment of our object at the peace, would equally have been obtained without, as with its assistance,—the absurdity of the inference, proves the negative, and affirms that it was the *general law*, that furnished the substitutes, for our standard money, that produced our *exaltation*, in 1815—as it has been the return to the individual and bye-law mode of creating our standard money, since 1819, under new circumstances, that has worked our disappointment and discomfiture.

CHAPTER THE THIRD.

THE miscarriage and discomfiture, spoken of in the last chapter, consists in the loss of our sinking fund of five millions, reduced to that amount, after the most maturest deliberation, and with the most confident and reasonable expectation of its continuance;—in our disappointment, that after repealing the income tax, which step was clearly taken, in order that the landholder from his freehold should in future receive £100. a year, instead of £90.—and that the trader and the manufacturer, from their business and their profits, should in future receive the whole annual advantage, of *uninterrupted markets* after, as before the repeal of the income tax,—as well as that the public annuitants, should be afterwards entitled to receive £100. a year, instead of only £90.—the implied guarantee, and it is to be believed, that it was the *intention of our statesmen* also, that there should have been no interruption given, to the enjoyment of these advantages, by the mode of changing the substitutes, in our payments and receipts, for the standard money itself.

Nevertheless the fact is, that the landowner's receipt of rent, is infinitely diminished ; according to the Edinburgh Review it does not average more than £60.—according to individual information only £50.—and according to some £25. a year only, in the place of £100. *—the consequence of this fact is, that our manufacturers and traders, who so naturally looked to the peace, as the period for enjoying a foreign, in addition to our home trade, are disappointed in all their expectations about markets, foreign and domestic, and find themselves, by the interruption given, and by the effect of our subsequent and very bad domestic policy, relating to the creation of our standard money—for want of due regulations, and the privilege of making use of sufficient amounts of it---left with a foreign and domestic trade, which taken together, does not perhaps equal in amount, what our domestic markets, for produce and labour alone realized, during the years preceding 1819---during the prevalence of a general and therefore a constitutional law, and

* The rents must be very much more reduced in some places, than in others, to have enabled the Edinburgh Reviewers, to have taken so large an average as 40 per cent.—for on the hills even in Sussex, the fall is not more than 25 per cent.—In Hertfordshire the fall is moderate, not more perhaps than the gain on the repeal of the income tax.—In Oxfordshire, Buckinghamshire, and other counties on the other hand, the fall is severe,—the vale countries and the best lands appear to be those that have suffered most.

that is as applicable to creating of standard money, as its substitute.

When the mobs were going about from house to house, two or three years since in Surrey and Sussex, and other counties, destroying thrashing machines, crying out against tithes, &c.—one of them went to the mansion and estate, late Lord Erskine's, when the owner, Mr. Broadwood, went out to them, and requested to know their pleasure—the answer was, they desired that gentleman to lower his rents, that his tenants might give the labourers more employment—my friends, replied this gentleman, you are come to the wrong place here—how so, cried out the mob?—I have received no rent these three years, returned Mr. Broadwood!—his visitors gave him three cheers, and went away *; and the same approbation awaits every landowner, who will in like manner, give up receiving any rent from his estate.—But from what source afterwards, is the public revenue to be collected, or the public annuitants to be paid, or how, if we cannot devise some method to place the landholder, upon a more equal footing with the fundholder?

To say that the reduction, of the interest of the 3 per cent. stockholder — the public annuitant — should never be thought of, but at the last extremity, is an expression of feeling by no means strong

* This little anecdote was told the writer by the daughter of a neighbouring farmer, to elucidate her opinion, that in these times, landlords were very fortunate, if they received any rent.

enough for the occasion ; the interest of those annuities must positively never be reduced, any more than our constitution ever be altered, if we mean either to support our credit, or to retain our freedom,—the depression of the annuitants to meet the distress of the landowners, would not recover the country's prosperity, or give more stability to our happy constitution ; for among other reasons, it would narrow the ability of employing *labour*, which all prosperity resolves itself into, and in that respect, with our increased and increasing population, make bad worse,—like the economy of the present day, that applies itself to meet those limited amounts of standard money only, that the bye-law of one commercial house, can furnish for us, and that the representation of its *isolated* capital in gross, alone, and no other *capital* in gross, is permitted to supply.

The landed interest must be re-elevated from its present *distress* and *prostration*, and be suffered to approach its former comparative bearing with, but without interrupting the income of, the public annuitants, before the markets, for our manufacturers and traders, and the full employment for our labourers, can possibly take place, and therefore before our prosperity can be re-established.

The public revenue may sometimes be a little better than at others—dependent on the amounts of standard money, that the bye-law and successful trade of the Bank of England, may be able to let

us have the use of—much more, under our present circumstances, than upon any fiscal regulations, without the auxiliary help of a mint paper coin, that the State may be able to make;—and the *general* law for the supply of the use of our standard money, as with its substitute, must be resorted to again, before our prosperity, however gifted or however high their integrity may be, who rule us, before it can avail, that our public men,—should “*rise up early, and late take rest,*” and go the way of “*carefulness;*”—neither economy, nor care, nor watchfulness, can possibly effect our purpose, whilst we remain without the proper instruments, to go to work with—the auxiliary help of State paper standard coins, to buy the gold material with, in the place of mercantile promissory notes.

Nothing can be more true than that our interests are, for the most part, all alike and linked together; or more wicked and absurd, than opposing one interest, to another interest, by way of forwarding our prosperity; or more wrong than being envious at the happiness, or success of our neighbours in their pursuits—the fact being, that no leading interest can be *directly* benefitted, without all similar traders being collaterally assisted also—and the contrary—that the direct advantage of a *general* law, for furnishing the substitutes, for gold sovereigns, for supplying the use of money in the country districts, for 26 years—by the *direct* prosperity it occasioned in those localities, by the

more frequent calls for supply and demand, that arose in consequence, produced a considerable collateral* advantage and increase of prosperity and trade, to the London district also.

In particular, the advantage derived from the establishment of a *general law* in 1797-8, and its direct benefit to the country districts, produced for the proprietors of the Bank of England a great collateral benefit, and whilst it lasted, the opportunity of realizing from 50 to 70 per cent. addition to their capital in gross, took place, and on each bonus, as it accrued, as well as on their original capital, a 10 per cent. interest was paid—since the return to the individual and the bye-law system, that interest has not exceeded 8 per cent. and nobody has heard of any more bonusse.

The return to and application of a *general law* for finding standard money, must again produce, from the increased prosperity it would gradually occasion to the country districts, the same collateral advantages as before, according to the capital employed by the country traders, to the proprietors of the Bank of England—which together with a free, in the place of their present restricted trade, in gold bullion, the two advantages, must very soon realize a 10, instead of an 8 per cent. dividend to the proprietors, once more—add to this, the same general collateral advantage, to be derived from

* That the shopkeepers in London have latterly, so felt the loss of.

any *direct* benefit bestowed upon the country districts, and as certain to arise, to the whole of the London traders of all descriptions, as to the affairs of the Bank of England, and to the better produce of the State's revenue, and the more general prosperity of her subjects, and there is no being insensible, to the necessity of instituting a mint paper coin.

With these benefits, so certain to arise to the proprietors, by instituting an auxiliary standard and paper mint coin, there is no reason for anticipating any opposition, from the directors of the Bank of England, who are so constantly and laudably shewing their zeal, for the benefit of their employers, even while these lines are writing *, they have not failed of an opportunity, to export half a million, or more of gold bullion, at a considerable profit for their employers, to America,—and they are selling Exchequer Bills, as fast as they can, to the amount of the issues of their promissory notes, that half a million of gold standard sovereigns would support—most praiseworthy, to save their proprietors harmless, without coming to government for a restriction act, by reducing the outstanding demands upon the firm, to a corresponding amount.

Nothing can be more pleasing to record, than the faithful acts of agents, by their employers, and

* 20th August 1834.

there can be no doubt of their good judgment, in what concerns their proprietors' interests, of the directors they are entrusted to, but the safe amount, according to Dr. Adam Smith, for the firm to reduce its issues of outstanding promissory notes, on this occasion, would be two millions—and some mention has already been made of a similar, and no doubt equally praiseworthy reduction, of outstanding issues of promissory notes by this firm, it is believed in the year 1832, of four millions; we have also the reduction of 16 millions before referred to; the more immediate effect and operation of the bill of 1819—and the reducing of that amount by the ability and trade of the Bank of England, in giving its collateral assistance to the country districts afterwards, by four millions—the effect probably of those districts making use of one million of gold sovereigns, furnished by that Bank.

Thus we have, as they presented themselves, the matter of fact—oscillations and variations—the system we have returned to, for creating our standard money, is subject to be affected by, including amounts—of 16 millions—12 millions—twice [four millions—two millions—besides all those amounts and opportunities unenumerated, and not in the foreground, that it is the duty of the directors, in looking after their proprietors' affairs, to take advantage of—but all of which alterations influence in a most unnatural way, the employment and well-being of our labourers, of every grade, mental, as

manual, as well as the supply and demand, and value of every article, agricultural and commercial, in our markets.

And thus subjecting a loyal and a deserving people, not simply to have their prosperity, and the value of their properties, so affected and so broke in upon, by the casual acts of a commercial house, owned by their fellow subjects; but by every blast that may blow across the ocean, bringing the orders of a foreign government, to supply it with gold bullion:—orders undoubtedly that our merchants, if they possessed the article, should be left at liberty to supply, and obtain the profit from,---and that, as we know from all experience, even an army of soldiers quartered round our coasts, could not prevent the exportation of, by any penal law whatever.

But is it proper that a mighty State, and one which had been able so recently, to shew her prowess and her benignity, in rescuing all the other powers of Europe, one after the other, from subjection---by pursuing a very different line of domestic policy, to the present, with our standard money* --- is it proper, it is asked, that such a country, should in her turn be subdued, and at

* Standard money, or its substitute once made use of by the State, so guaranteed and supported by her own law, must be treated of and thought upon, as one and the same thing—the abuse is always to be corrected—but the use should be continued.

home, by any alteration of a domestic policy, that brought about such beneficial consequences, to others, as to ourselves ?

The prosperity that we attained to in 1815, may fairly be attributed to the good domestic policy, of having but one *general law*, for finding the substitutes for our standard money, which produced the same direct advantages in commanding the use of money, and giving employment to our labourers, to the country part of the King's subjects, as to the London part of the same people, and brought forth those united energies, that ensured our success *.

The distress that we have fallen into since 1819, may as fairly be ascribed to our bad domestic policy, in returning to an old system, and to an individual and to a private bye-law management---that *continues* the *direct* advantages, to the smaller part of the community alone, and consigns the larger part, to such collateral supplies only, of the use of standard money, as the smaller can afford to let the larger have, and at the price of twenty shillings paid, for each pound sterling of standard money made use of.

The foundation of the good government, and the prosperity and happiness of every people, after

* Had the Bank of England, for instance, been the only issuing bank allowed to circulate 20 shilling substitutes, the State could not have commanded, by such a confined law, the labours of the country part of the population, in aid of securing those successes.

emerging from a state of barbarity and barter, and settling down into that of civilization; appears to depend upon their government's sound domestic policy, in the mode made choice of, in creating and obtaining the use of the State's standard money—first, as to its quality and value—secondly, as to the limited, or unlimited amounts, permitted to be coined—and thirdly, as to the general advantages of going to the State's mint, being allowed of, or the contrary, from every locality in the same way.

But so far from our attending to either of these primary obligations, except the first, we have acted, as though there was no analogy, necessary to be kept up, between the pecuniary transactions of a country, and the amounts and the mode, of the State's providing the use of standard money, for her subjects—possessing and adhering indeed to an ancient, and long established assay value, for our gold standard money, that ought never to be departed from; but wholly losing sight of that general provision, that with the substitutes, and after the failure of the system now returned to, produced our prosperity, and under Providence, the ability to bring it about.

It may be added, that without applying of which general and constitutional law, in permitting the whole of the State's subjects going to the Mint, for the use of standard money, under the same advantages, there can be no assurance, for any continuance of the well-being of our pecuniary affairs,

or of our commanding the general means, of keeping our people in employment ;—neither the new poor law bill, any more than the free trade bill, or any other statute relating to pecuniary matters, can have their intended effect, and work well, under our present limited mode returned to, for supplying the use of standard money.

It has been entirely kept out of mind, that perhaps for a century, no gold bullion bought, as with value for value, and coined at the Mint, which takes place as a matter of course when carried there, can now answer a PUBLIC purpose.—The increased prosperity of the country, and its consequent growing population—our large "*family account,*" as a national debt, and considerable amount of taxes---our great civil, naval, and military establishments, mostly requiring in *whole*, as well as the public dividends in great part, periodically to be paid in standard money,—has so long made it necessary, that the standard money for these purposes, should make its appearance at such times, at the call of the Treasury, and be now previously provided for, by its bankers' promissory notes, free of expence, and independent of all private casual assistance---as of taxation or disbursement---unlike an army indeed in the last respect—but otherwise, as an army assembles in the field, from its cantonments, at the command of its general.

A sure and constant mart for the crude gold, has therefore so long been established at the Treas-

sury bankers *, for the supply of these demands of the States ; and it has so long been necessary, that the gold material, should be purchased by the representation of other wealth than itself, to escape expence, which if the State's credit, (falsely supposed by some to be the credit of the Bank of England †, because we have again returned, without due consideration, and left it to be obtained only, by its representative promissory notes ;) could not effect, we must raise imposts for the purchase of the gold material, and for the support of our standard money, in the same way that we raise taxes, for the support of our standing army, and for that of our other establishments.

As it has thus, and so long become of this primary consequence therefore—for all *public purposes*, that the gold material should be purchased free of expence — next comes the examination, whether we ought to go on suffering in our well-being, by permitting this representation of wealth to be exercised—*not enjoyed*, for the Bank proprietors lose money by its exercise—through the help of a private promissory note, or call in the assistance and institute, under safe regulations,

* The Bank of England.

† It has been shewn already, that no private trader's credit can commence, before the capital in gross he means to trade with, has been first turned into standard money—any earlier credit, as relates to his command of standard money, can only be enjoyed by the delegation, or sufferance of the State, from her not instituting a mint paper coin.

an auxiliary standard mint paper coin, to effect the purchase—by large paper coins, when the gold material was to be had, and to divide into standard paper 20 shilling coins, when the gold was above our standard value,—which all the State's subjects, should be able to command the use of, in the same way.

By the assistance of an auxiliary standard and mint paper coin, the population of the country districts, would at once be put upon the same footing, as that of London, in commanding the direct use of money, according to the securities they had to give for the accommodation, and the labour they might want to put in motion,—and the provision would be constitutional, and therefore secure its popularity, because the law would be *general*—and by making the banking agents' notes, that they issued, above the standard amounts of money that they possessed, payable at the place issued from, as well as in London,—we should secure their trade, being adapted to their capital, to preserve their solvency, ---and we should defend the public from the circulation of paper instruments of trade*, to influence our markets, without the issuers first possessing standard money capital, to support them.

By the additional opportunity given of employing labour also, the best chances would be available, for the permanent increase of the public revenue,

* Promissory notes.

as well as for the permanent establishment of the people's prosperity ; the restoration of the heavy losses that the State and her subjects have sustained, by the act of 1819, cannot indeed be recovered ;—but their progress may be arrested by such a judicious institution, and the final *catastrophe**, by prolonged obstinacy in a bye-law management, be averted, by the better effect of a constitutional and by a *general* law.

No sort of reproach is, however, meant towards the directors by these terms—bye-law management—they are made use of merely to set forth the facts, of their being obliged, as honest men, to govern their dealings in the article of their trade, by such regulations of their own, as were most for the proprietors' interests ; and to place the inconvenience and absurdity, under our new engagements, of the public being made to return and to depend, on private commercial laws, for the use of the State's standard money, in the strongest point of view.

The facts equally remaining, that to the establishment of the Bank of England, we owe a great portion of our increased prosperity since 1694, and so little had the country districts hitherto shewn any want of a DIRECT supply of the use of standard money, through local banking agents of their own, as in London, and it was so constantly equal to

* Gradual public and private insolvency.

multiply the amounts of standard money, to the sum required to meet the demands of every new engagement,—that it would be difficult to point out the particular period, previous to 1797, when the alteration now called for, would have been for the better, although had an auxiliary standard mint paper coin then existed, it would have prevented the necessity for the restriction act, that was then obliged to be passed.

No stronger proof of the good policy of the general law then enacted, or of any law, could be set forth; than that of the difficulties that were overcome, and the successes that were accomplished under it—both still so fresh in our recollections; and as truly, no stronger evidence of the bad policy, of retrograding to an obsolete individual law, for continuing the same good effects to our prosperity—that had been so completely attained by the *general* law, that our new and more extended engagements, had called out and been acted under—by two such statesmen, as Mr. Fox and Mr. Pitt, could be set forth—to shew the error we have fallen into, by not applying the principle of the *general* law, equally to the creation of gold standard money, as before to its substitutes,---than our public and private pecuniary losses, that have ensued, since we made this *backward movement*, in our domestic policy.

Scores of millions, would not enumerate the losses of public and private property, that have

taken place since returning to the *bye-law* act of 1819, for creating our standard money; as the reader, allowing for the difficulties in treating of such wholesale amounts of money, may satisfy himself, by either correcting the following statement, or making his own calculations.

Item—The losses by the failure of the public revenue, that took place after the passing of the bill of 1819, estimated only by the difference between the 35 millions paid off, and what the amount of a 5 millions a year sinking fund, for reducing our national debt, and voted in 1816, would have amounted to, had our revenue allowed of it, without interest, £55,000,000*.

Item—The losses of rent by land, estimated by the Edinburgh Reviewers at 44 per cent. but taken here at only 20 per cent.—the previous rental being 52 millions—the loss since 1819, being 14 years, at 10 millions a year, is £140,000,000.

Item—The tenants' losses, taken at one eighth of the landlords, is £17,500,000.

Item—The labourers' losses by want of employment, taken at one eighth of the tenants, is £2,187,500.

Item—The manufacturers' losses by a paucity of demands and bad markets, taken at the same amount as the tenants' losses, is £17,500,000.

* The same applied with compound interest, would have gone very nearly, to have reduced 100 millions.

Item—The trading shopkeepers' losses by bad market and fewer demands, is £17,500,000.

Item—The losses, principally by want of work, and by reduced wages of the work people, of the two last classes, £2,187,500.

Item—By the losses of our merchants---£. very great

Item—By the losses on free trade with goods, occasioned by the confined opportunity allowed, of turning our capital in gross into standard money capital, for carrying it on, £. very considerable; although in other respects probably, and under proper regulations with foreign nations, it might become of beneficial consequence.

Item---By the losses to the proprietors of the Bank of England, and taken out of the market, from all chance of its being applied, to the employment of the poor and the industrious---on the proprietors' working capital of £14,500,000. that used to pay 10, but now only pays 8 per cent. for want of the auxiliary standard and mint paper coins here advocated---to admit a free trade in gold bullion, by the Bank of England, instead of a restricted one, say in 14 years, at £290,000. per annum, the loss has been £4,060,000 *.

Item --- The losses by the general capital in gross of the country; --- our ANCIENT INSTITUTIONS---our CHURCH and STATE---our whole Stock

* Dependent on the number 14 varying or being accurate.

IN TRADE—being deteriorated, and left to go out of repair, for want of sufficient amounts, and the proportional and natural supply of standard money, in the country districts, being provided for by the State's own *general law* and an open—*instead of* a mercantile *bye-law* and a closed* Mint---£. incalculable†!!

Hundreds of millions in the plural number:—*two hundred millions*, it may fairly be stated, are not more than our losses amount to, in consequence of so improvidently passing the bill of 1819, without instituting at the same time, an auxiliary standard in the shape of a mint paper coin—and not an incendiaryism against the State—or the nostrums and quackeries that have appeared, for improving the very best Constitution, that ever was thought of—and in the face and proofs of its advantages above all others, that were so recently shewn in the late war---to cure distresses and losses that have

* Our Mint is an open one now only to those who pay cent. per cent. for the gold material,—and closed to everybody that would otherwise buy it, with representative paper money, but the proprietors of the Bank of England, for want of an auxiliary standard and mint paper coins.

† The above items are believed, and meant to be calculated under the real amounts—but in case of any accidental excess the whole amount of them is not cast up, but 200 millions only, to preserve the plural number for argument, part of that amount, are taken advantage of—fractional accuracy not being aimed at—but such amounts alone, as although below the real truth, were yet enough to prove the case.

been occasioned only, by our mistaken domestic policy, with our standard money, in losing sight of the part, that belonged to the office and function of the State to perform.

Which has produced that deficiency, in the amounts of standard money in the country districts, that has caused the very large want of employment for our population there—making them the ready instruments of the vicious and the designing, in spite of their own natural good dispositions to the contrary—and it is in vain to think of any amelioration in this respect, whilst the degree of it, is kept under, and made proportional only, with *limited* amounts of standard money—not suffered to be commensurate with the real wants of the people; and to the amounts of capital in gross, their employers in every district would willingly deposit, as security for the use of standard money, if permitted.

In conclusion it may be observed, that those who have been misled and are inimical to our Constitution of King, Lords, and Commons, it is trusted, are very few; but very many there are, it is to be feared, who would run every risk, short of producing a revolution, or an insolvency, that confusion and disturbance, in their selfish ideas, might offer for improving their own situation—of our Whigs

and Tories, although it remains to be lamented, that they cannot be induced to act together in the same administration, in this time of our need,---and that they have both hitherto omitted, when in power, to inquire into the errors committed in our domestic policy, in the mode of creating our standard money—it is still some consolation to believe, that if there are patriots at their hearts and cores, they are yet to be found in the ranks of those two parties; and although they will not act together in office, some reliance is to be placed, that in or out of office, they will do so, in all serious attacks made upon our ancient institutions.

It has been under these difficulties, and when the country apparently and for a short time, seemed so likely to be left without any government, that we saw the loyalty and patriotism of our present noble premier, prevail—and the modest account his lordship gave of himself, in the House of Peers, on accepting his present office, is in everybody's recollection,---we are cheered also by knowing of this noble personage, that his usefulness and industry, has always risen with the importance of the offices, he has successively filled,—that besides the wish always felt by every good subject, to support the King's government, in all constitutional acts, the individual at present at the head of it, appears peculiarly entitled to our good wishes.

Certainly, servants never had a more favorable opportunity, for making the reign of a gracious and

patriotic Master popular, and prolonging their own usefulness in office, than our present ministers have —by directing their attention and inquiries, into that foundation of public political power, and private prosperity, our domestic policy, respecting the mode of creating our standard money—and the part in its execution, that belongs to the office and function of the State, and cannot be performed to the required advantage, that is necessary for the collection of the public revenue, as for the private prosperity of the subjects — by the agency of others*.

It was most gratifying to see, at the close of the session, the petitions come pouring in, with expressions of unfeigned gratitude to our Sovereign, for his gracious declaration to the Bishops, of His Majesty's determination at all times, to support the Established Church ;—and to witness the good effects, the expressions of attachment in the petitions, to our ancient hierarchy, have had in its support.

Let us hope then, that these petitions may be indicative, of that returning ‘fear of God’ in the land, that may lead us again to ‘the beginning of wisdom,’ in cherishing more closely, our attachment to our ancient institutions, than has latterly been shewn—and in particular lead us to the necessary inquiry here solicited—and to the establishment and crea-

* But it is the State’s general law only that is required.

tion of our standard money, upon that constitutional footing, as will best tend to the support of both CHURCH and STATE.

It is to be said of the advocacy here offered—nothing is proposed to be pulled down—no interest to be interfered with—the bill of 1819 even is not sought to be repealed---but its object of returning to make the banking merchants, pay their promissory notes, with the State's standard money—is acknowledged to have been perfectly correct, and called for by the occasion; but there was a second most important object, then wholly lost sight of, viz. the providing the means for obeying the statute in the country, and keeping that natural supply of the use of money, in the country districts, commensurate with the State's and her subjects' wants there, as in London—for the full supply of the public revenue, and for the local support of their prosperity.

Which it is contended could only be accomplished, under the increased prosperity and new circumstances, that we were placed in, after 1815 —by giving their banking agents, as those in the metropolis, and the country inhabitants, the opportunity to collect a sufficient amount of *assayed* capital, for deposit at the Mint—and through the *direct* help of the State's general law, and of an auxiliary standard, and mint paper coin—to have commanded the use of the gold sovereigns, gratis, as they are now enjoyed, by the proprietors of the

Bank of England, instead of through the *collateral* assistance only, of its promissory notes, with deposits placed in the hands of private trustees—its directors—and giving 20 shillings for each standard sovereign made use of; but which obsolete system of 1694 * was resorted to again in 1819, and is alone in action now, for effecting the purposes of that statute!

The proprietors of the Bank of England it has been shewn, would be so greatly benefitted, as well as their fellow subjects, by the change from a dependence on their own promissory notes, to a *mint* paper coin of the State's, for purchasing the bullion material for our gold standard money—by the free trade in both bullions, that would follow the institution proposed, as well as by the collateral benefit of more business, arising out of the direct prosperity it must occasion to the country districts, by its creation, that there can be little doubt whenever government shall seriously take the subject up, their commands and wishes, would be cordially obeyed and met, by the directors of the Bank of England.

The ideas in the preceding pages are taken from the secure foundation—that all prosperity re-

* The system coeval with, and being art and part of the establishment of the Bank of England, whilst remaining without a more general law and a paper mint coin.

solves itself into the proper management of labour, the more or the less allowed of and employed ; any unnatural and arbitrary interference with which, must alter the relative situation and well-being of every country : — thus, standard money being of primary necessity, for the employment of labour, the taking away the use of the substitutes, from the inhabitants of the country districts here—and not at the same time permitting their supplying themselves with the use of standard money, in the same advantageous and *direct* way, as their neighbours of the London district, by a general law—has reduced the quantity of labour, out of which the public revenues are raised, in the country districts, in that particular ratio, as has occasioned all those deficiencies, in the amount of it, that have occurred since 1819.

To recapitulate—the establishment of the Bank of England in 1694 is here considered, as having been then adopted, for the purpose of multiplying the amounts of standard money, to meet the growing demands of commerce, and to support its instruments of trade — promissory notes, bills of exchange, &c.—according to the amounts of capital in gross, individually or collectively possessed to carry it on—and for the general aid, employment, and call, for labour and labourers, our increased and increasing prosperity, then required.

That this addition to the amounts of standard money, it was originally seen, and must imme-

diately have been acted upon, was not to proceed from the previous ordinary channel before 1694,—of exchanging commodity for commodity — the Bank's capital in other commodities, for the gold ingots—but to arise out of the *representation* of its capital, upon a piece of paper, which would be taken in the bullion market, as payment for the gold material, wanted for coining into standard money—and the error made from the beginning with this Bank was, not that it should so get possession of the gold, gratis; but that, as it had become necessary by authority, to call in this auxiliary help of, the *representation* only of other capital, in making the purchase—that it was permitted to be effected, with the Bank's own promissory notes, instead of with the State's mint paper coins, and before its capital had been first deposited, with government, and turned into such mint paper money of the State's.

To have DEFINED, that the CREDIT in the transaction, is *derived* from the STATE,—and to have pointed out, that the whole process and creation of standard money, as well the part that concerns the mode of gaining *possession* of the *material*, as the coining of it into money afterwards, is the office and function of the State and her government, to look after and to execute—for which reason, as it can only now be effected through *representation*, it is necessary that the process should take place, only through the *representative* paper money, of the State's.

For the purpose, of preventing the subjects breaking in upon each other's liberties, and properties, and solvencies, all of which inconveniences have taken place, from the effect of the act of 1819, and for preventing the invasion of the authority and prosperity of the State also—no issuing banker of his own promissory notes therefore, it seems clear, should be permitted to go on with, or to commence his business, before turning his capital, or a minimum part of it, by its deposit, into standard money at the Mint—where all parts of the King's subjects ought to have the liberty and privilege of going in the same way.

So much for the error committed, on the establishment of the Bank of England, which was still kept out of sight, whilst the country districts, shewed no want for the same **DIRECT** supply of standard money, through issuing banking agents of their own, that was felt by the inhabitants of the London district,—and whilst the Bank of England was able by its *collateral* supplies of standard money, for the use of the country inhabitants, and by its *direct* supplies of the same, for the use of the London inhabitants, to meet the new engagements, and the increasing prosperity of the State, and her subjects,—which to measure its abilities by a *certain rule and event*--continued and lasted till our debt reached £300 millions, in 1797,---when the *general law* and new **SYSTEM** for finding substitutes, for the time being, was obliged to be issued, and which has so

unfortunately, not since been applied, to the finding standard money, when the substitutes were withdrawn.

Under the general law and the new system of 1798 --- 500 additional millions were incurred to swell our debt,—and the country districts had felt such a want of the direct supply of standard money, in each locality, that 7 or 800 issuing banking agencies, similar to that in London, for furnishing the substitutes, were established — to the great benefit of the State and her subjects, during the 26 years' prevalence of the *general law* and new *system* of 1798—it was not likely therefore, under a return to the old system of 1694, that had failed when the debt reached 300 millions---and without the help and continuance of the new issuing banks, or such as them, but possessed of the proper amounts of assayed capital, to deposit at the Mint for the use of standard money, that it could succeed, without this aid of the State, in finding the amounts of standard money, and the distribution of it, that we require, to provide for a debt of 800 millions, and uphold the prosperity we had previously attained to and enjoyed *.

There was and remains this convincing reason to suppose, that there is a very large capital in gross, but divided into fractional amounts, necessary to be employed; but left unprovided by the op-

* Is it not very like an attempt—with the impossible execution—to force a larger circle, through a smaller one?

portunity, for producing the *direct* use of standard money, to the amounts wanted in the country districts, before the labourers there, can be put into full employment again—but the omission of the law, has left the country inhabitants, without the liberty of having any of their capital in gross made use of, by *representation*, like that of their London neighbours, for furnishing standard money for this purpose, or for any other, and has circumscribed all capital in gross, to be so employed, to the £14,500,000. belonging to the proprietors of one only establishment, the issuing banking agents of the State and of the London district population—the Bank of England.

The law and rule preceding 1694, in going to the Mint, whilst it commanded the use of sufficient amounts of standard money, appears to have been a most just one—as it was a *general law*—and all the State's subjects alike had to pay cent. per cent. for the gold bullion they carried there, to be coined, and a *general law* is as applicable, and the same rule seems, as necessary to be followed now, and should have been done so, from the moment that it became the system, and was imperative, that the gold material should be purchased with the *representation* of wealth only, on paper,---that the whole of the State's subjects should be admitted alike, under safe and defined regulations, to bring their capitals in gross to the Mint for deposit and *representation*, and for the public security --- but to

receive the advantage of its proportional amount, and use of standard money in return, in the same way.

Just as they did before 1694, and do now with the gold ingots---but opening the Mint to the State's subjects in the country districts again, through their banking agents, by admitting their capitals to be so represented, through the medium of an auxiliary paper coin, and so qualified, after deposit at the Mint, through these paper standard coins, to purchase the gold ingots, as well as the State's subjects in London, through the representation of the Bank of England's capital in gross, on its proprietors' promissory notes, ---subject to the deception and erroneous supposition, that because the bullion is bought in this way, before the Bank proprietors going to the Mint, instead of afterwards, that therefore value for value has been given for the article, and that the STATE'S CREDIT has had nothing to do in the transaction---whilst it is her law only, in forming the joint stock company, and her omission in not instituting an auxiliary paper coin since---that enables the Bank of England, so much to her proprietors' *disadvantage*, to obtain the gold ingots *preceding*, instead of *subsequent*, to the possession of any standard money.

The proprietors, it has already been shewn, have lost by their present restricted trade in gold bullion, and by the derangement of their fellow subjects' pecuniary prosperities, occasioned by the

same circumstance, and in consequence of the public being supplied with the use of gold sovereigns, found by their firm alone—and the employment of *their* capital in gross alone, *as concerns representation*—£4,060,000—and nota bene, according to the returns hitherto made from the Mint, 15 parts out of 16 of the gold brought there to be coined, are so purchased by representation,—and from the nature of the public services to be provided for, it will be found on examination, that if it was required that we should obtain the gold wanted for this purpose, without the intervention of the STATE'S CREDIT, we must *raise taxes*, to pay for the material of our standard money.

The complaint here is---not that this representation of their capital, by the State's sufferance and omission, should be allowed to the Bank of England proprietors, as the agents for finding the direct use of standard money, for the public service, and for the private necessities and prosperities of the home district population, free of expence---but that the same privilege should not have been extended to His Majesty's equally loyal subjects, of the country districts, and to similar banking agents of theirs, for finding the DIRECT use of standard money, for the public service, in levying the taxes there---through the medium of an auxiliary standard, such as that described in the plan, in the first chapter, that would apply, as a *general law*, to all districts alike,---and which equal constitu-

tional treatment may so fairly be claimed, by the country population, as necessary, in defence of their properties and prosperities, so invaded and so broken in upon, by our erroneous domestic policy with our standard money.

Respecting the additional expences at the Mint and elsewhere, in these times of economy, that the institution would involve, it is considered that these pages are written in the service of humanity ; and (in the absence of any better advocate taking the subject up, on the same grounds), from motives of duty and loyalty, and not, as a petition for putting a finger into other people's PIES ; and therefore, that there is here a better claim to say, in favour of those, who might be destined to fill the new offices—that had such an additional establishment been in existence, at the end of the late war, or if the auxiliary standard here spoken of, had been then instituted, the country could not have lost the 200 millions, noticed some pages back---the other reasons that appear for deciding our choice are :

First, that the *representation* of partial solitary and limited amounts of capital in gross, by standard money, can never provide for engagements that are unbounded in amount, of universal obligation, and that require the assistance and industry of the people, of the whole land to discharge ; —the engagement, and the means of provision for its discharge, must be made to expand, and left to

contract together—just what happened with the substitutes—and the loans and the taxes that took place under the general law of 1798, that governed them :—if this is true, and it is not here seen how the assertion is to be refuted, how erroneous has been our domestic policy, with our standard money, by returning to a contracted means and system, with diminished labour, in providing for our obligations, but leaving the engagements themselves, as expanded as ever.

We seem totally to have lost sight of the fact, that a provision for the existence of the standard money, as before with the substitutes, and for its expansion and contraction, according to the obligation entered into, must be in operation, before the loan is made---for the disbursement of the principal---and before the tax can be levied, that is to provide for the interest to pay it with, and for its continuance---which can alone take place through the Mint, and since the failure of the Bank in 1797, and all our pecuniary engagements from that time, having been made under a *general law*, and a new system,—by now opening the Mint, for the use of standard money, as generally to the people in the remote parts of the land, through banking agents of their own, if they choose to establish them, as to those of the metropolis.

Secondly, that although by deception and false colouring, it may be claimed, that it is the Bank's credit that obtains the gold for the 20 shilling stan-

dard money, gratis---and that we get rid of the 20 shilling promissory note by our acquiescence---even if that circumstance alone, could help our prosperity—the system is open to the greater objection and obligation we are still under, of taking £10. promissory notes, as substitutes, for ten gold sovereigns, in payment of the King's taxes, instead of standard money.

Thirdly, that although we may continue some shew of well-being, by oscillating backwards and forwards, according to the ability of a private **FIRM**, and practising that false economy, that assimilates the expenditure and prosperity of a great nation, to the use of those particular amounts of standard money, that the business of a commercial house can furnish for us *—however we may deceive ourselves, this mode of connection with it—of making the State debtor to the industry of one subject, more than to that of another, for the use of standard money, and closing her Mint, except to the industry of the privileged few—is fast driving us from the place we filled in 1815—and more difficulties have occurred to us, in our domestic affairs, since we made this election, than we have been at all equal to controul.

* The assimilation should be, according to the business of all the commercial houses in the country, with the standard money, found by the State's providence, and not by that of one of their own body, and the opportunity of an open Mint, under proper regulations.

Fourthly, we have lost by the election we have made, and by the change from the State's *general law*, to a private bye-law management, for finding our standard money, since it took place,—our usual markets, for the employment of labour—the produce of agriculture, manufactures, and commerce, and we have interfered with the natural demand and supply of every production—the consequences of the failure of the incomes and profits of all classes of persons, except the *public annuitants*, but whose interests are becoming constantly more precarious,—for we have reduced, by our particular species of *domestic policy*, with our standard money, the value of the property, by wholesale, out of which the public revenue is raised, and the public annuitant, is paid.

Fifthly, by the present system, the great amounts of capital in fractions—money—are concentrated at the Stock Exchange, and made use of more for the purposes of gambling, than for those of fair commerce and utility — rendering the price of stocks, as a criterion of prosperity, too often a *stumbling block*, to the wisest.

Who are apt to forget that no nation can go on prospering, and exclusively supporting one leading interest, in preference and opposition to another; and that the extremity of depression of the country districts' interests, which includes also a large portion of the manufacturing and the mercantile, produced by our continuing to withhold from them,

the DIRECT opportunity, of having their capitals in gross, represented, through their own local banking agents, by standard money, gratis, as legally wanted—and keeping the State's mint closed—attempting to go on with the deception * we are now governed by, respecting it.

Withholding its being thrown open in the same way, to the country districts, and to their banking agents, for finding the use of standard money, as to the home district population and to their banking agents, the proprietors of the Bank of England,—the continuance and exclusiveness of the protection, must turn to the disappointment of those, who look up to the present system, as correct; for it is upon the *prosperity* of the country districts, and not upon their *depression*, that the solvency of the country, and the security of the annuitants and the fundholder depends.

The systems, in this country, that have been devised and prevailed, for finding the use of standard money, or its substitute—which governed by the State's law, and by the State's imposing on her

* The deception occasioned by permitting the directors to buy the gold bullion with promissory notes, before being required to deposit the proprietors' capital at the Mint, for the use of so many auxiliary mint paper coins, to perform this office of the State's for them—it being necessary always to good government, to keep private credit, subordinate and dependent upon that belonging to the public, for the necessary advantage of all parts, and of the whole community.

subjects, the obligation of entering into large pecuniary engagements, both public and private, under it, must be considered as the same thing—and the different systems, may be likened to three CIRCLES, the sphere of whose actions, having been enlarged by the LAWGIVERS, according to the necessities of those, for whom the law was ordained ; and as the failure of the ability of the preceding system, to support the calls of the State, or provide for the prosperity of her subjects, took place.

The first circle, having a diameter of 3 *feet*, which was the *system* that prevailed up to 1694, and which, although we were then, by comparison, without any public debt, and the law that governed the system, was of *general* application, and therefore a constitutional law—it was yet unequal to finding the use of those amounts of standard money, the prosperity of the country, had then arrived to require.

It was the beginning of the failure of the casual supply of standard money, trusting to individuals taking the gold bullion they possessed, to be coined at the Mint, and the disbursement of it afterwards in their own private concerns, being sufficient, for the public use and welfare*—and the commencement of the necessity, for establishing the TRADE of

* This seems the natural consequence, of the failure of the landed income of the crown, being sufficient for the expences of the government, producing the obligation of raising taxes on the people in addition.

coining issuing bankers ; and for the collecting * of standard money by such traders, as a business, for the purpose of supporting their shop's instruments of trade—*their own promissory notes*—to be lent out as private money, by wholesale—but exchangeable on demand always, in the way they were most likely to be presented at the shop, by retail †, into gold standard money,—it was the successful device of a new business, producing the ability of employing our increased and increasing population, even at that time, and for supporting our prosperity.

* The collecting of standard money by banking traders, according to the amounts of capital in gross they may have to give, as security and place in deposit at the Mint, for its use—is a very different privilege to that of allowing merchants, to place their deposits in the hands of private trustees only, instead of with the crown, and confining the auxiliary help that is required for the purchase of gold, to be made with private promissory notes, instead of the King's paper coins—the one operation, closes the Mint to all the King's subjects, but the proprietors of the Bank of England, who may therefore be said, and for the present, to be the creators of our standard money—the instituting of auxiliary paper coins, would open the Mint in the same way, to the whole public.

† It is obvious, that if at any time all a banker's promissory notes that he issued, were to be presented at the same time, after they had exceeded the amounts of standard money, that he possessed, that they could not be paid—and he therefore adapts his business, according to the amounts of standard money he possesses, and his experience of the demands of his customers—it is obvious also, that unless banking agents, can command two legal interests, or 10 per cent. the public cannot be convenienceed by their trade.

The second CIRCLE, having a diameter of 6 feet, which was the system that followed that preceding 1694—the 3 feet *system*—and it prevailed without interruption up to 1797 — which although only an individual statute, placing us in dependence, whilst without the aid of auxiliary mint *paper coins*, on one solitary private establishment, and its bye-law management — the inconvenience and defect of being without this assistance, were yet kept out of sight—by this SYSTEM, *of 6 feet measurement and diameter*, having been always equal to meet every new engagement, by producing the additional amounts of standard money, each and all of them required.

Whether occasioned by the calls of the State, or by the growing industry of her subjects, up to 1797 —that although it has been made plain, from what we have been shewn by example since, that it would have been more profitable for the proprietors, as well as for the public, had an auxiliary paper coin been originally instituted — no apparent inconvenience, from the omission, arrived to point out our error, before 1797 — and this establishment and system, was fully equal to provide standard money, sufficient to meet our pecuniary engagements, until they reached a climax of 300 millions of public debt, besides all the amounts that the prosperity of the people required, to that period, when it failed altogether.

Nevertheless, to it we are indebted for the larger

part of the welfare we had then attained to, and for laying the foundation, of that elevation and good fortune, which arrived to us in 1815—which we are now so unnecessarily throwing away!—for no such similar error to ours, was made to arrest the progress of our prosperity, during the prevalence of this system and circle of 6 feet diameter, or at its close in 1797, as to throw the burden of the engagements made under it, back upon the system and circle that preceded it of 3 feet diameter, to provide for; but the system of 6 feet diameter, was still farther enlarged, *not contracted*, by our then law-givers, to meet the sphere of action, we were called on to support, by their establishing

The third circle of 9 feet diameter and system, of 1798, devised by Mr. Pitt --- the imperative circumstances that gave rise to which were---that the Bank of England and its bye-law management, failed in its ability of producing the standard money required,---and whilst the gold material then, 1797, and for many years afterwards, was still at, or below our standard price --- whilst we were embarked in a war, that was sure to require larger and larger amounts of standard money, or its substitute, to carry it on—and whilst the natural and general industry of the people, independent of the foreign *cause*, required also the use of increasing, and not diminishing amounts of standard money, to support their prosperity.

How completely the 9 feet diameter system

answered the purposes for which it was devised, and mutually made use of, by those two greatest of modern statesmen, of whom we have to boast—Mr. Fox and Mr. Pitt---need not be recapitulated, farther than to notice, that we arrived at a greater exaltation, and a higher degree of prosperity, after being able to incur and provide for, an additional public debt of 500 millions under this system, than any other nation ever before enjoyed; and the existing facts at the conclusion of the war, were all, as favorable to the applying the same system and *general law*, to the creating and furnishing the use of gold standard money, as before provided for furnishing its substitute.

For the gold bullion had come down to our standard price—and there was but one way to purchase it, free of expence, which had so long become imperative to effect, for all public purposes, relating to standard money payments---ever since the establishment of the second circle and system of 6 feet diameter, in 1694,---by the representation of other wealth than itself, upon paper---the only diversity and choice being, whether this representation, should be confined to that particular capital in gross, belonging to the proprietors of the Bank of England; or whether, that the system and circle of 9 feet diameter, which governed the substitutes, should be applied, by calling in the auxiliary help, under safe regulations, of all other capital in gross,—that the owners might be willing to comply with

the Mint terms, and deposit with the crown, as security, for the use of auxiliary paper coins, to buy the gold material—instead of leaving the public and the State, to be supplied and protected only by isolated amounts of auxiliary promissory notes, for making this **IMPORTANT** purchase?

The economists of the day, and those who influenced our statesmen, persuaded them, to go back to the former system and circle of 6 feet diameter, devised in 1694, for creating and furnishing the use of gold standard money, wanted in 1819, to provide for pecuniary engagements, made to the amounts already exhibited, and to support the prosperity which we had arrived at, through the assistance, and under the system and circle of 9 feet diameter, devised in 1797—and the nation which gave birth to—a Locke, and to—a Newton,—has literally been employed, under a plurality of administrations, ever since the year 1819, and we are now engaged in the same notable task, of impossible accomplishment — *for we have not yet succeeded!!*—but are still essaying, to force a circle of 9 feet compass and diameter, through one of only 6 feet surfaces and diameter !!

This excess of error, must have arisen *from* looking at one side of the subject only---and contemplating it, as possible, for individuals in the country districts, to abuse the liberty of the law, by the circulation of such amounts, as 16* and

* See Joplin's tables of circulation.

12* millions of money, more than our prosperity required—and attributing the war prices, so much talked about, to individual **ABUSES**—instead of placing them, to those natural causes that took place, year after year, when not only the growing increase of money, circulated in the markets, according to our growing necessities and prosperity, was found there---but a mortgage of 40 or 50 millions of money, on the country's great capital in gross, besides †—and appeared opposed, to enhance the value of all other articles, and to depreciate that of money.

It must have arisen, from not looking at the other side of the subject, after these loans were withdrawn, and not recollecting, that there must be in every country, a *natural* amount of standard money required, that is only to be found out, by being left under wholesome but *general* laws, to find its own level, and cannot be circumscribed in any other way, but to the danger of the State, and to the pecuniary loss of her subjects—the glory of providing, for which freedom to the subjects, and safety to the State, in commanding the USE of standard money, throughout the country, and in the correction and prevention

• The reduction, after the rebound, and collateral supply of standard money, by the Bank of England, had taken place in the country districts.

† The effect of which must have lasted beyond 1815, and yet [that] additional circumstance, did not prevent wheat from coming down very low, in 1816-17.

of its ABUSE—the *praise* and the *meed* for so doing—the *harvest* and the *fruits* to be derived, from establishing a *just DOMESTIC POLICY*, in the mode of creating our standard money, in future—for the use of the State, as for that of her subjects—seems peculiarly to be reserved, and left to be reaped, by a reformed Parliament, and by the existing government.

Finally—it is trusted, that it has been sufficiently shewn, that our pecuniary difficulties have arisen, from not understanding, that the *return* in 1819, to the system established in 1694, without the institution of an auxiliary standard, in the shape of a paper **MINT COIN**, would close the Mint, for any **DIRECT** command, of the use of gold standard money, to the whole country part of the population, in their respective districts; and that, as the pecuniary engagements amounting to 500 millions of public debt, were made and remain obligatory on them, as well as on their fellow subjects, of the home district, *jointly* to discharge, by *joint* taxation.

That as they were raised and levied, under the possession of the same system and **DIRECT** advantages, with the substitutes, by both parts of the King's subjects, which circumstance, enabled the State to provide for such great loans---that instead of making the present existing distinction between them, in going to the Mint, the benefit and application of the same law and advantages, in obtaining the *direct* use of the gold standard money there—

to have prevented our pecuniary distresses—should also have been extended, to the country part of the population.

Which part of the King's subjects, however unintended, as doubtless it must have been, are now in effect and, as concerns any DIRECT use of standard money, placed out of the PALE and *protection* of the LAW; and must remain so, to the State's—to the proprietors of the Bank of England—and to their own, and *collaterally* to their fellow subjects of the home districts, great disadvantage also---until such time, as an auxiliary standard and mint paper coin is instituted, for the purpose of making the law, for commanding the DIRECT use of standard money, as constitutional and as general to one part of the community, as to the other, by opening the Mint in the same way, to the whole of the King's subjects.

The supposition that prevails, that it is the Bank of England's *own credit*—in the first instance*—that accomplishes the purchase of the gold bullion, for our standard money, with the proprietors' promissory notes, free of expence, is altogether erroneous—no private credit can commence before the individual subjects, by reputation, or reality, having first possessed themselves of standard money, to the amount of their capitals in gross, that they trade with—except as in this case, when they

* Prior to the proprietors' capital in gross, being turned into standard money.

are left to do so, by the omission of the State, that they are governed by, in not instituting a mint paper coin, to support her own credit—and to support her own and her subjects' pecuniary interests, without distinction.

The circumstances besides this omission, that qualifies the Bank of England at present, to make *its credit*, so *detrimentally*, to *precede* the STATE's *credit*, are the declaratory clause in the charter, of the amount of capital in gross that it possesses*; and these proprietors, being the Treasury bankers: ---but as it is, as impossible to give the *Treasury* business in mass, to each of the 6 or 700 country bankers also---as to force the larger circle, through the smaller circle---and as it would be, as inconvenient almost, as before impossible, to pass an act declaratory of the amount of capital in gross, possessed by each of 6 or 700 country bankers, as they might set up their establishments, in order to put the country population, on the same footing, as the London population, in commanding the *direct* use of standard money---this *omission*--*inconvenience*--and *impossibility*--forms the **NECESSITY**--for now instituting an auxiliary standard and mint paper coin.

The simple **FACT ALONE**, that we cannot command the gold material, for our gold standard money, gratis, which it has been necessary to do,

* The law's affirmation of its wealth.

for more than a century---but through the means of the representation of other WEALTH than itself upon paper---and that we have circumscribed, the amount of that other WEALTH to be so represented ---and shut the Mint by so doing, to the representation of all other WEALTH, to the whole of the King's subjects, but to the agents for finding the use of gold standard money, for one only district,---seems decisive, of the error, that we have committed—and that the remedy is, an OPEN MINT—and the institution of an auxiliary standard, in the shape of a MINT paper coin, to effect it.

There is yet another reason—to be lamented indeed!—but arrived to shew us the necessity, of no longer permitting the CREDIT of a private *firm*, to precede the STATE'S CREDIT—by placing ourselves, and remaining in dependence alone, upon the representation of that firm's capital in gross, on paper, for the creation and amounts of standard money, that we are allowed the use of--- by the recent insolvency of so very prominent a person, as the Governor of the Bank of England—which must make it plain to the proprietors and its directors, as to the whole public, that the particular capital in gross, whose representation on paper, both we and they, are to depend upon, as the means and instrument, for purchasing the gold material, for the coining and creation of our gold standard money—should be held in security by none, but the CROWN.

That it should be placed there besides, as secu-

rity for the use of mint paper coins, to preserve the priority of the STATE'S CREDIT, remaining above that of individual credit—it being necessary to do so, for the safety of the properties of all her subjects, and to prevent the unnatural variations and oscillations of the trade, in gold bullion, affecting the amounts of our standard money, to be commanded the use of—and to remedy the interference with, and depression of, the value of property in the country districts, that arose by placing of them in 1819, out of the protection of any DIRECT care of the State's law—and upon the collateral care and bye-law of the Bank of England, for supplying them, with the use of standard money.

But leaving the *invidious* distinction, too late again resorted to, that whilst the population of the home district, through their agents the proprietors of the metropolitan firm, command the use of standard money, gratis—the agents of the inhabitants of the country districts, since 1819, have been obliged to give cent. per cent. for every sovereign they make use of—which disability, has not simply acted, as an individual and partial tax upon the banking agents, but more calamitously, by putting an end to their customers, commanding the use of those amounts of money, that are as necessary in the country districts, as in the London district, for keeping their capitals in gross in repair—it has occasioned, the whole of the large depression in

value, of all property, that has taken place in the country districts, since that time.

All the distresses and discontents of the people have arrived since this fatal change, of a general for an individual law, was made—and it is most remarkable, the shortness of our different administrations since 1819—as if pointing out our error, and that nothing could re-establish us in permanent security and content again, but a return to the State's own *general law*, and the exercise of her imperial function, by herself, of creating her own standard money—by assuming the **RIGHT** of purchasing the gold material for her gold sovereigns, gratis, to be made by her own standard mint paper coins, and depending no longer, upon her subjects' promissory notes, in so important a transaction.

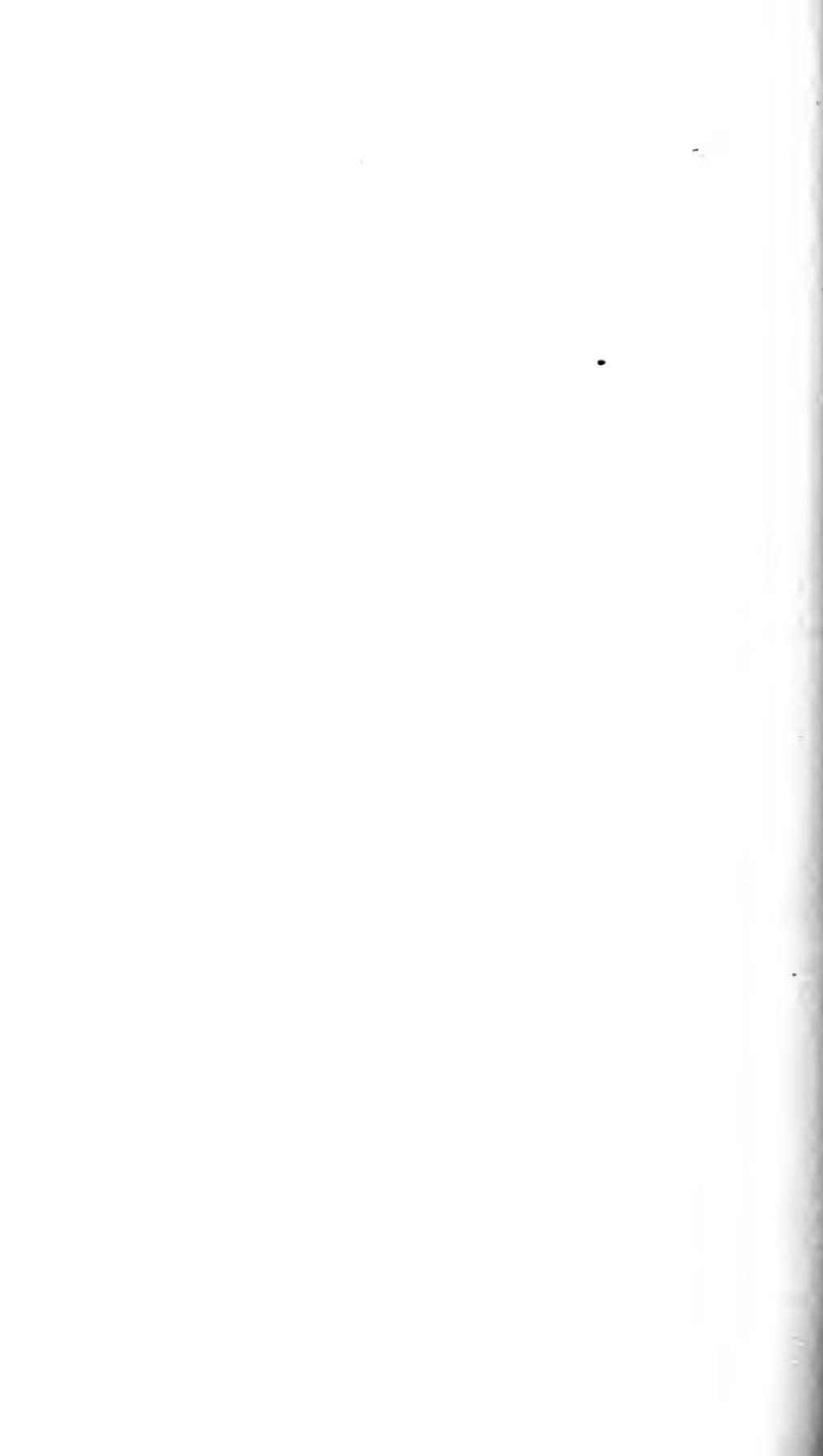
Thus, the reasons for the advocacy here set forth, arise from such strong facts, and the continuance of our present mistaken and erroneous domestic policy, with our standard money, that has been, as we have seen, and is big with such portentous events to our prosperity, of losses and insolvencies, and inconveniences, to come; and that have so entirely reversed the situation of this country, as it was placed, by the help of **PROVIDENCE**—the blood of our brave warriors, and the loyalty, ability, and patriotism, of their great Commanders—at the end of the late war—that whatever may be considered best for us by our rulers,

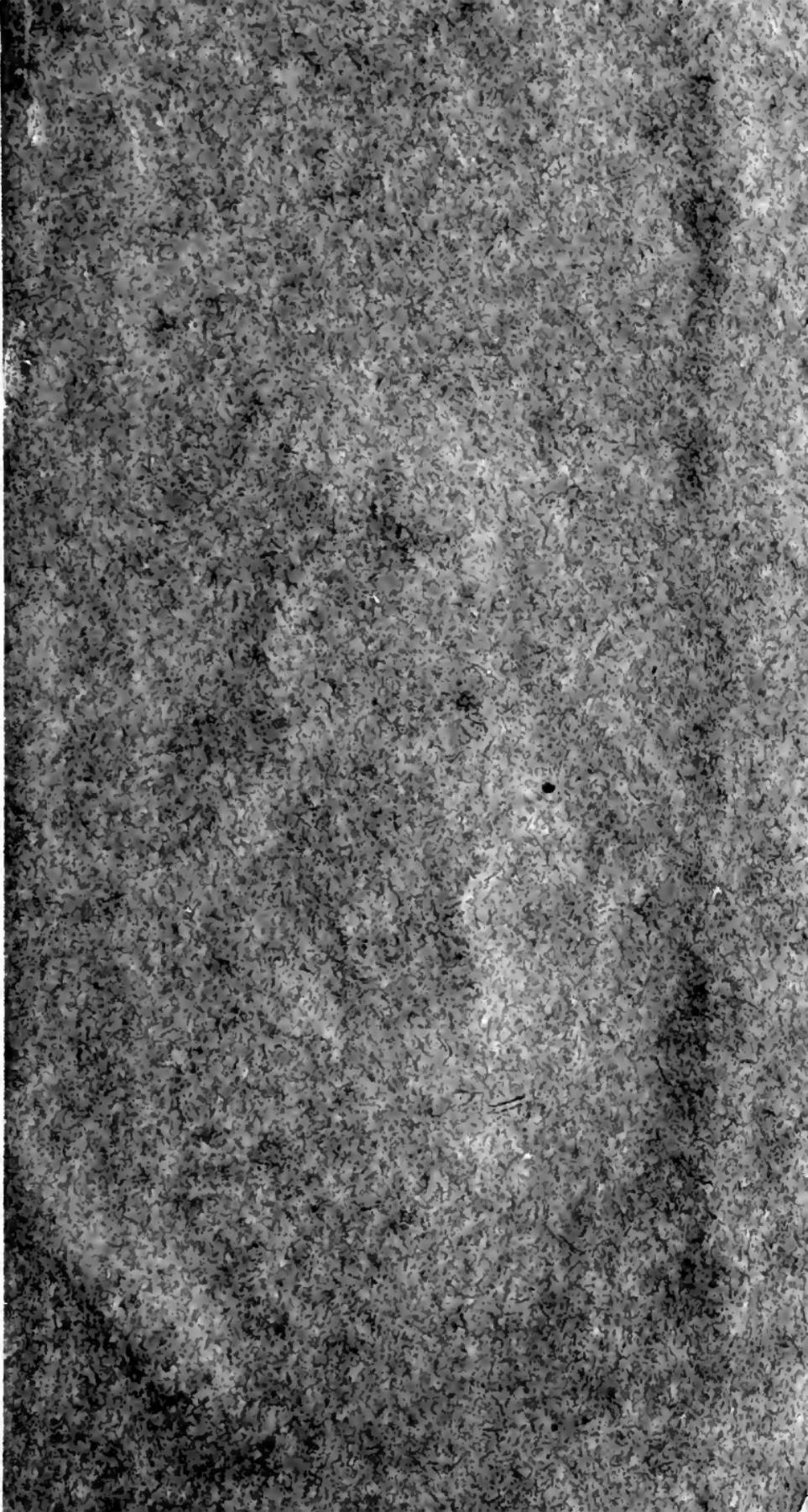
we can hardly be wrong ourselves, by calling to our aid and assistance—as most likely to produce that train of thought, fitting to unravel and deliver us, from difficulties, such, as ours, and, as applicable to all well regulated minds, under distresses, that the wisdom hitherto applied to the subject, seems to have been confounded by :—that comprehensive, although short precept, of our holy religion, that includes the obligation of obedience, to all lawful authority—enjoining the performance of our duties here—as it is the foundation of our hopes hereafter—**FEAR GOD!!—HONOUR THE KING!**

RICHARD MOORE,
MIDDLE COURT,
HAMPTON COURT PALACE,
25th October 1834.

THE END.











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